Daily Report

East Europe

FBIS-EEU-91-243
Wednesday
18 December 1991

Daily Report
East Europe

FBIS-EEU-91-243 *18 December 1991*

CONTENTS

NOTICE TO READERS: An • indicates material not disseminated in electronic form.

ALBANIA

President Alia Receives Soviet Poet Yevtushenko *[ATA]* 1
Hungarian Ambassador Views Situation in Tirana *[NEPSZABADSAG 17 Dec]* 1
People's Assembly Debates Government Program *[Tirana Radio]* 2
Communist Party Defends Hoxha, Party Traditions *[Tirana Radio]* 3

BULGARIA

Kozloduy Reactor Tested at Full Power *[Sofia Radio]* 4
SDS To Hold National Conference in February *[Sofia Radio]* 4
New BSP Party Leader Speaks at News Conference *[Sofia Radio]* 4
'Road To Europe' Leader Views BSP, Changes *[DUMA 11 Dec]* 4
Monarchists To Abstain From Presidential Ballot *[BTA]* 6
National 24-Hour Warning Strike Called for 8 Jan *[Sofia TRUD 12 Dec]* 6
Razgrad Transportaton Workers on Strike *[PODKREPA 12 Dec]* 6
Defense Minister Meets Union Leaders *[Sofia TRUD 12 Dec]* 7
Military Personnel Changes Announced *[BULGARSKA ARMIYA 12 Dec]* 7
Ownership of Small Stores, Businesses Restored *[DEMOKRATSIYA 12 Dec]* 7

CZECHOSLOVAKIA

Demes, Cheney Discuss Conversion, State Setup *[NARODNA OBRODA 13 Dec]* 8
Federal Government Discusses Budget, Subsidies *[HOSPODARSKE NOVINY 13 Dec]* 8
OH Leaders Respond to Klaus on Budget *[Prague Radio]* 9
State Bank's 1992 Economic Goals, Plan Outlined
[CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY 14 Dec] 9
Number of Private Entrepreneurs Reaches 1 Million *[HOSPODARSKE NOVINY 13 Dec]* 10
'Classified' Report Describes FIS Situation *[RUDE PRAVO 14 Dec]* 10
ODA Explains Position on New Communism Law *[NARODNA OBRODA 14 Dec]* 10
Course, Conclusions of SDL Congress Reviewed *[Bratislava PRAVDA 16 Dec]* 10

HUNGARY

Defense Minister Departs for Moscow, Kiev *[MTI]* 12
Spokesman Views Maastricht Summit 'Success' *[MTI]* 12
Official Views EC Membership Prospects *[MAGYAR HIRLAP 16 Dec]* 12
Defense Officials Clarify Recent Border Incident *[NEPSZABADSAG 14 Dec]* 13
State Secretary Views Ethnic Minority Issues *[MAGYAR HIRLAP 14 Dec]* 14
National Assembly Debates 1992 Budget *[MTI]* 15
President Appoints New Officials *[MTI]* 16
Pozsgay: NDSZ Will Operate as Party *[UJ MAGYARORSZAG 17 Dec]* 16
250,000 Workers Join Two-Hour Warning Strike *[MTI]* 16
Environmental Minister Discusses Plans, Budget *[NEPSZABADSAG 14 Dec]* 16

POLAND

Sejm, Leaders Respond to Olszewski Resignation 18
Sejm Vote Planned *[PAP]* 18
Walesa Expresses 'Astonishment' *[Warsaw Radio]* 18
Olszewski Discusses Resignation *[Warsaw Radio]* 18
Walesa 'Cannot' Reveal New Candidate *[Warsaw TV]* 18
KPN Intends to Form New Coalition *[PAP]* 19

Peasant Solidarity Opposes Resignation *[PAP]* 19
Balcerowicz To Continue as Acting Prime Minister *[Warsaw Radio]* 19
Sejm Rejects Walesa's National Bank Nominee *[Warsaw Radio]* 19
Baranowski Stresses Economics Over Politics *[GLOS PORANNY 5 Dec]* 19

ROMANIA

Iliescu, Stolojan Meet Armenian Foreign Minister *[ROMPRES]* 21
Leaders Hold News Conference *[ROMPRES]* 21
Nastase Discusses USSR, Moldovan Issues *[Lisbon DIARIO DE NOTICIAS 7 Dec]* 21
EBRD Approves Two 'Substantial' Loans *[ROMPRES]* 22
Iliescu Says Roman Closed Doors to Dialogue *[AZI 14 Dec]* 22
Roman Statement on Iliescu, SRI Interference *[AZI 14 Dec]* 23
'Rumors' Say Nastase To Succeed Roman in FSN *[CUVINTUL Dec]* 24
FSN Deputy Concerned Over Party Conflict *[ROMPRES]* 24
Stolojan on Reform, Exchange Rate Consolidation *[TRIBUNA ECONOMICA 22 Nov]* 25

YUGOSLAVIA

International

Soviet Consulate Denies Volunteers To Fight *[TANJUG]* 29
Macedonia's Tupurkovski States Recognition Stance *[Skopje Radio]* 29
Legal Expert Terms EC Decision 'Aggression' *[TANJUG]* 29
Legal Expert: New Criteria on Recognition Needed *[TANJUG]* 29

Federal

Presidency Issues Announcement on EC Document *[TANJUG]* 30
Republics' Representatives View EC Decision *[TANJUG]* 30

Slovenia

Rupel Gives News Conference on EC Recognition *[Ljubljana Radio]* 31
Pucnik Interviewed on EC Recognition Decision *[Vienna Radio]* 32

Croatia

Prime Minister Greguric Hails EC Decision *[Zagreb TV]* 32
Separovic Reacts to EC Recognition Decision *[Zagreb Radio]* 33
Osijek Mayor Comments on U.S. Stance *[Zagreb Radio]* 33
Government Sees No Need for War Economy *[TANJUG]* 33
Krajina Assembly To Declare Republic Status *[TANJUG]* 34
Some Paraga Charges Unfounded; May Be Released *[Zagreb Radio]* 34
Reaction to Paraga Arrest *[POLITIKA 24 Nov]* 34
Dubrovnik-Hercegovina Front Cease-Fire Holds *[TANJUG]* 35
Army Says Novi Sad Corps Respecting Cease-Fire *[TANJUG]* 35
Army Captures 'Chetnik' HQ in Hotel *[Zagreb Radio]* 35
Government To Negotiate With JNA Over Dam *[TANJUG]* 36
Knin Corps Reports 'Provocations,' 'Sabotage' *[TANJUG]* 36
Fighters Reportedly Seek Shelter in Bosnia *[Belgrade Radio]* 36
Saboteurs Said To Be Training In Hungary *[TANJUG]* 37
Serbian Mobilization in Slavonia Urged *[Novi Sad TV]* 37
Vukovar Seen as Source of Pride for Croatia *[VJESNIK 6 Dec]* 37

Serbia

Jovanovic: 'Too Early' To Assess EC Decision *[TANJUG]* 38
Democratic Party Deems EC Document 'Unserious' *[Belgrade Radio]* 39
Radoman Bozovic To Set Up New Government *[Belgrade Radio]* 39
Republic To Use New Tax System Starting 1 Jan *[TANJUG]* 39

Kosovo

'Republic' To Seek International Recognition *[Sarajevo Radio]* 40
Kosovars 'Beaten,' 'Robbed' by Serbian Militiamen *[Zagreb Radio]* 40

Bosnia-Hercegovina

Officials Conduct Roundtable on War in Croatia *[Sarajevo Radio]* 40
Leader Asks For UN Protection of 'Sovereignty' *[TANJUG]* 40
Parents Criticize Extension of Military Service *[Sarajevo Radio]* 41
Poll Finds Ethnic Division of Media Opposed *[Sarajevo Radio]* 41
Battle for Food Entering 'Final Phase' *[OSLOBODJENJE 5 Dec]* 42

Montenegro

'Tragic' Economic Consequences of War Cited *[BORBA 9 Dec]* 42

Macedonia

Kljusev Foresees Full Independence in 1992 *[TANJUG]* 43
Government To Help Its Soldiers in Croatia *[Skopje Radio]* 44
Opposing Criticism of Gligorov Discussed *[BORBA 4 Dec]* 44
BORBA Reports Rift in VMRO-DPMNE *[4 Dec]* 45

President Alia Receives Soviet Poet Yevtushenko

AU1712140191 Tirana ATA in English 0952 GMT 17 Dec 91

[Text] Tirana, December 17 (ATA)—The president of the Republic of Albania, Ramiz Alia, received in his seat on December 16 the chairman of the Writers' League of the USSR, the outstanding poet Yevgeniy Yevtushenko and the persons accompanying him, who are on a visit to our country at the invitation of the Writers' and Artists' League of Albania.

President Ramiz Alia voiced the satisfaction over meeting with such renowned social personalities and wished that the relations between our countries, the USSR and Albania, develop further in the democratic climate created in Europe. Further on, he briefed the guests on the democratic developments in Albania, the fast-rate transformations that have taken place in our country during the one- year period of the political pluralism functioning. In particular the president dwelt on the evaluation of the precious contribution of the Albanian intelligentsia to these processes.

It is a merit of our patriotic intelligentsia that devoted itself energetically to the democratic developments, which put at their disposal its mind and heart, developed the free consciousness and thinking, the president said. This has made possible the normal realisation on the whole of the transition period, of the major transformations. It is a fact that whenever the intelligentsia has not managed to set the tone to these developments, then unpleasant things have occurred, the path has been left open to anarchy, destructive spirit, destruction.

With its vision for the future, the intelligentsia is capable of influencing on the other strata of the society to realise how will be tomorrow, the relations of labour and production, of creation and the human one. The morrow will undoubtedly be a society with better possibilities for a living, but there exist many difficulties and hindrances to be overcome before reaching it. It needs hard work, knowledge and culture. Neither economic progress, nor democratic development can be achieved without culture, creativeness and science.

Yevgeniy Yevtushenko spoke of the friendship he witnessed between the two peoples, the impressions he gathered during the visit in Albania and spoke of the necessity of a closer collaboration among the writers and cultured people who are facing similar problems in difficult periods of transition.

Attending the reception, which passed in a warm and friendly atmosphere were also the chairman of the Writers and Artists League of Albania, Deputy Dritero Agolli, as well as the ambassador extraordinary and plenipotentiary of the USSR to the Republic of Albania, Viktor Nerubaylo.

Hungarian Ambassador Views Situation in Tirana

AU1812146591 Budapest NEPSZABADSAG in Hungarian 17 Dec 91 p 2

[Interview with Hungarian Ambassador to Albania Ferenc Poka by Gabor Horvath by telephone from Tirana; date not given: "A Government of Experts in Albania—Danger of Hunger Uprisal"]

[Text] While public attention in Europe is focused on the Yugoslav crisis, relatively less attention is given to another source of tension, namely Albania. We asked Ferenc Poka about the situation in this Balkan country.

[Horvath] What has changed in Albania with the appointment of the new government?

[Poka] After the big wave of strikes in June, the main political forces in Albania agreed to establish a government of stability. As an opposition force, the Democratic Party also participated in this government, but it left the cabinet on 4 December complaining about "the activity of old-fashioned communists who infiltrated the socialists." A government of experts made up of non-party intellectuals was established, under the leadership of a 40-year-old engineer, Vilson Ahmeti.

[Horvath] Who supports this cabinet?

[Poka] In any case, this cabinet needs the clear support of the parties to lead Albania until the elections scheduled for the end of February or the beginning of March. Until then, the aid coming into the country has to be distributed, and the total collapse of the country should be avoided.

[Horvath] Is there any chance of success?

[Poka] There is no other alternative. This government will probably receive the necessary support, certainly from the socialists who are the absolute majority, but they do not want to return to a one-party government. The democrats will probably also support the government.

[Horvath] What is their intention?

[Poka] Even the previous government accepted a reform program but, aware of the catastrophic economic situation, the Democratic Party decided that it would rather leave the cabinet and start the election campaign from the outside.

[Horvath] Is there any chance of avoiding societal upheaval?

[Poka] There have already been cases of looting in the last 10 days, but a presidential decree promised the use of the Army against this. The panic was caused by an unfortunate statement made by the prime minister, namely that Albania had food reserves for only six days.

[Horvath] Does this mean that one should not look for political intentions behind these violent events?

[Poka] No. We are simply talking about hungry, cold, and miserable people. At the moment, it seems that they will be able to avoid further disturbances. This is important all the more so because stability and calm are essential conditions for the continuation of international aid to Albania.

People's Assembly Debates Government Program

AU1712170391 Tirana Radio Tirana Network in Albanian 1430 GMT 17 Dec 91

[Zamira Koleci report]

[Text] The People's Assembly began its work this morning with a debate on the program presented yesterday evening by Vilson Ahmeti, the new prime minister.

Deputy Blerim Cela spoke first, reemphasizing the need to obtain deliveries of raw materials from Italy in order to start work, to abolish the 80-percent wage payments, and to introduce price liberalization and grant the associated wage increases, all tasks that it is up to the new cabinet to solve. Lufter Xhuveli said that, in order to avoid a slump to a lower level of poverty, the government must give priority attention to the spring sowing, so that what happened in autumn will not be repeated. Arben Imami, emphasizing this government's tasks, pointed to two of the main ones: continuing the economic reform that has now begun, and ensuring food for the people, so that the government will not end its term by saying that there is bread for only two or three days.

Ndricim Hysa said that this is the third government to ask for the parliament's vote of confidence. This was not because of any incompetence of the earlier governments, but because of some party leaders. The government must be given special support in enforcing the Land Law.

Kole Tonaj pointed out that this government, as the final government of the communist era in Albania, must not play the president's games but solve the people's grievances, especially by fairly administering the arrival and distribution of food aid.

Cun Jonuzi expressed the view that the government must be left to its responsibilities for solving the urgent problems of the situation that has been created, and stressed that there must be more extensive privatization in both the towns and the countryside, including the privatization of apartments. Gafur Shametaj said that the government must identify the main ways of holding a fair and honest electoral campaign for all political forces, of giving better treatment to students, and ensuring the people's food supplies. After appreciating the courage of the intellectuals led by Vilson Ahmeti, Qemal Dauti dwelt on certain urgent tasks for the government, which are to keep working people's spirits up, to ensure calm, and to carry out the electoral campaign honestly.

As soon as Rexhep Uka began to speak, describing the country's political situation, Presidency Chairman Kastriot Islami interrupted him because he had departed from the agenda. The deputy insisted on continuing his speech, saying that every speech has a beginning, a middle, and an end. Islami repeated his request not to deviate from the agenda, and called for calm reflection. The session then ended.

After the recess, Rexhep Uka took the floor again, and concentrated on some of the new government's urgent tasks. Among them, he singled out the need to find ways of rescuing the livestock of agricultural enterprises, and he called for openness with foreign agricultural firms.

Lush Perpali concentrated mainly on the government's task of supplying food to the mountain regions and the earliest possible approval of the bill on pensions and social security. Considering the new government to be a sign of hope and not an end to hope, Ndoc Kasa emphasized the need to enforce the Land Law and to amend some of its articles.

Qemal Alia also concentrated on the importance Vilson Ahmeti's government should attach to the Land Law and to security during the forthcoming electoral campaign. Ismet Ferizaj emphasized that the new government must insist on the enforcement of the Land Law, not reporting percentages but tangible and significant results. It must also devote attention to the problems of peasants without incomes, granting them credit from the Agricultural Bank.

Faik Memushi said that the important thing is that the political parties, the parliament, and the trade unions must give powerful support to this government that is now waiting for our vote of confidence. The intellectuals and democrats who are members of this government must work with devotion to the homeland.

Abdi Baleta, after stressing the new government's limited mission and short term of office, pointed out that the program as presented had been general and did not claim to set deadlines for the completion of the government's tasks. He also said that care must also be shown in carrying out the part of the program dealing with the Albanian state's foreign policy. Namik Dokle said that the People's Assembly asks for prudence and national responsibility, and we must allow the new government to work and accomplish the tasks it has undertaken in this spirit, meanwhile holding the elections within the framework of the law.

Panajot Barka said that we are giving a mandate to the new government with the wish that a more effective and democratic parliament will follow. This government has a major responsibility, especially during the electoral campaign. Refik Disha also stressed the work the new cabinet must do to ensure food supplies for mountain regions and to approve further bills connected with the economic reform. Pjeter Arbnori said that in this period of crisis we notice not only the falling value of the lek but the falling value of words. In its work, the government must strive to show the people that its nonparty intellectuals are in a position to solve the most acute problems and to bolster confidence.

Ligor Balla concentrated on four problems on which the government must focus: land, bread, public order, and schools. Solving these problems will avert social tensions during the electoral campaign. Skender Dubali pointed

out two duties to which the new government must attach priority: food and medical supplies for the people, and an electoral campaign that will be as democratic as possible. Ajli Alushani said that the most important problems in the health sector include preventing the black-market sale of medicines and opening the Heart Surgery Department.

Haxhi Lleshi was the last to speak. Like many earlier speakers, he stressed the need to enforce the Land Law, to ensure normal supplies to the populace, etc.

After the speeches, the deputies gave a vote of confidence to the government by a majority of votes. The People's Assembly will continue its proceedings at 1600 GMT this afternoon.

Communist Party Defends Hoxha, Party Traditions

AU1712173891 Tirana Radio Tirana Network in Albanian 1430 GMT 17 Dec 91

[Text] The Albanian Communist Party [PKSh] organized a news conference in the Palace of Congresses' Press Center at 1000 GMT this morning. Newspaper, radio, television, ATA, and foreign journalists and foreign diplomats attended.

The party's spokesman Dhimiter (?Shtembari) opened the news conference by reading out a PKSh press declaration that stated, among other things, that the PKSh was created on the insistence of thousands of communists and working people. However, its legal recognition made it subject to the basest fictions and slanders. The press declaration stated that the PKSh's program presents first of all the issue of national sovereignty and the defense of the homeland's independence. The PKSh calls the paralysis of the work of the state and the National Stability Government sabotage and a premeditated political act against national sovereignty and the people's aspirations. It also considers the peremptory demands for premature elections to be unjustified. In the situation in which the country finds itself, the party calls on all political forces, without interrupting their debates and polemics, to commit themselves first of all to bringing the country out of its crisis and alleviating the people's grievances.

Hysni Milloshi, chairman of the PKSh's Organizing Committee, and Deputy Razi Brahimi, a member of the committee, then answered journalists' questions. Asked what connection the party has with the Association of Enver Hoxha Volunteers, they replied that we are tied to this association by our common attitude to the personality of Enver Hoxha. As a party, we are against the denigration of his personality. It is impossible to take a clear and fair view in this inflamed and excited situation, where only extreme and unsupported positions can be adopted.

In reply to other questions, they said that, regarding the principle of relying on our own resources, this party takes the view that every state should adopt this stand, because it is the basis of a country's development, while cooperation with other countries should not be neglected.

The PKSh, it was said at the news conference, continues the best traditions of the PKSh founded on 8 November 1941 and the Albanian Workers Party led by Enver Hoxha. Its program expresses the loftiest national interests. It considers the stand taken toward this party by the government and other parties to be undemocratic and unfair. Some party personalities have called for it to be banned.

Regarding cooperation with other political parties, it was said that this party does not consider itself either allied with anybody, or an opposition. We will unite with other political parties at certain times when our views coincide.

In connection with relations with the Socialist Party, it was said that their alternatives are different.

It was later said that the PKSh supports popular democracy. It does not favor a one-party system, but favors a one-party government, citing examples from the world in which single-party governments govern the most democratic countries, thus showing the viability and stability of these governments, which have done no harm to democracy in these countries, but have respected the law.

In connection with relations today with Europe and the world, it was said at the news conference that ties with one state or another on the basis of the sympathies of one party or another are not a good idea and encourage division. The efforts of all Albanians and the ideas of international organizations must solve the country's problems. They stressed at the news conference that they are a party of the left, but not the extreme left, and that in the country's present situation they favor cooperation with all political forces in order to overcome the crisis and to avert a possible catastrophe.

As for the past, it was said that the PKSh seriously deplores extreme leftist and rightist deviations and the abuses committed at the people's expense, such as the murder, imprisonment, and internment of innocent people, and that the PKSh respects freedom of conscience.

They opposed the view that the Enverist rallies in February sought to plunge the country into civil war, saying that on the contrary they averted this war. They were very peaceful rallies.

In connection with Nexhmije Hoxha's arrest, they said that they had no precise details about how far her guilt extended, but they demanded an open trial, with a clear explanation of whether the charges are economic or political.

Kozloduy Reactor Tested at Full Power

AU1812120391 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 18 Dec 91

[Text] Today permission was given to switch on the No. 6 generating unit of the Kozloduy Nuclear Power Plant at its full capacity of 1,000 megawatts. This is the penultimate stage of putting the reactor back into operation. Permission was given after the commission from the Inspectorate for the Safe Use of Nuclear Power of the Committee for Peaceful Uses of Atomic Energy carried out a comprehensive check of the state of the No. 6 unit's systems, equipment, and the organization of work.

Thus, final tests are now starting in accordance with the previously agreed-upon program. After these are completed, permission will be sought from the controlling authority, that is the Committee for Peaceful Uses of Atomic Energy, to put put the unit back into service finally.

SDS To Hold National Conference in February

AU1712155591 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 17 Dec 91

[Text] The date for the Union of Democratic Forces' [SDS] National Conference, which will take place in February, will be determined after the presidential elections. This was announced at today's news conference at 134 Rakovski Street [SDS headquarters], we were told by reporter Irena Shtereva.

This morning, the SDS National Coordinating Council also discussed the current political situation, the results from the Bulgarian Socialist Party Congress, and the aims of the Confederation of Independent Trade Unions in Bulgaria, and other organizations that support the idea of a nationwide general strike. The central point of discussion, however, was the upcoming presidential campaign, as well as the organizational state of the SDS structures and their cooperation on a national and regional level in the period after the elections.

New BSP Party Leader Speaks at News Conference

AU1712154791 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 17 Dec 91

[Text] At the Bulgarian Socialist Party [BSP] news conference, Nora Ananieva refuted the reports that have appeared in the press stating that the BSP is considering walking out of parliament after the presidential elections. This does not correspond to the truth. This question has not been discussed at all, Mrs. Ananieva declared.

For me, the results of the election at the BSP congress, and most of all, my election, are a big surprise, Mr. Zhan Videnov, the new BSP leader, stated. In his opinion, the thesis for the BSP's development as a modern left-wing socialist party, as part of the world's democratic leftwing, clearly prevailed at the recent party congress.

Despite the fact that Andrey Lukanov, Georgi Pirinski, Elena Poptodorova, and others are not members of the new BSP Supreme Council, Zhan Videnov believes that it contains the most active and most able people from the old party leadership, reporter Nina Spasova informs us.

The Executive Bureau that will be elected on 19 December, in place of the old Presidium ought not be large, while the Supreme Council plenums must be more frequent, Zhan Videnov believes.

Aleksandur Lilov, who as of today only has the post of leader of the newly established Supreme Party Council Strategic Analyses and Research Center, stated at the news conference: My career as party chairman has finished. Be calm.

'Road To Europe' Leader Views BSP, Changes

AU1712121391 Sofia DUMA in Bulgarian 11 Dec 91 p 4

[Interview with Miroslav Popov, cochairman of the "Road To Europe" Movement, by DUMA reporter Mila Manova; place and date not given: "The Crisis, the Socialists, the Changes"]

[Text] [Manova] What will the movements in the Bulgarian Socialist Party [BSP] reform against the background of the dictate of the ruling right?

[Popov] All Socialists give verbal support for changes, but they view them in very different ways. The models for development that are proposed are often not easily compatible. In my opinion, the process of the party's renewal has come to a standstill, steps backward have been taken, and the political initiative has been lost. The BSP still does not realize that it is in crisis and that it is failing to cope with elementary tasks. Many people with new, original ideas have left the party.

[Manova] What is the reason for this?

[Popov] The big question is: To what extent is the BSP becoming a left-wing non-Bolshevik political organization that effectively functions in a democratic society at the end of the 20th century? We also lost the elections because of the conservatives. Neo-Stalinism must accept some responsibility for the results. It is the strongest ally of the Union of Democratic Forces [SDS].

Nowadays, when the BSP is striving to become a democratic political force, every day shows how lacking it is in political reflexes. It lives by the canons of bureaucratic political standards. It thinks, speaks, and conducts itself in an authoritative fashion. It is a good thing that its leaders behave decently, but the change does not end here. Almost everything that the BSP should have done during the last two years has been written down, discussed, and even adopted, but despite this the party does not budge an inch.

[Manova] Is our strategy wrong?

[Popov] I agree with those who constantly stress the "correctness of the strategy." The strategy is fine—there is no doubt of this. It is true that the transition must be peaceful and so on. However, the efforts, expectations, and concepts are out of step with life's logic. The changes in society are happening more quickly than the changes in the party.

[Manova] Then why did you not spell out "social democratization" in more detail?

[Popov] The Dark Blues' offensive is not aimed at getting rid of the BSP, which is impossible, but at blocking its renewal. The changes in the party require an antidoctrinaire approach, innovation, tolerance, and most of all mutual trust. Any organization afraid of repression seeks to shut itself away, and the desire awakens somehow to get outside the "bad" society that does not understand it. Such tendencies are developing in Bulgaria. If the BSP thinks it has some kind of future, it should not put its hesitations and fears to one side, but try to understand the reasons behind them. It does not have the right to expect its members to be "heroes of everyday life," even less saints. They are normal, ordinary people who value justice, democracy, and personal security, that is all.

Yet Zhivkov's Blue political heirs promise a bright future, and one that will come very soon. However strange it may seem, people believe this. They did before, and they do now. When you mention "foreign aid" to them, they do not understand "credit," but think it is a "gift." They see it as a type of bonus for singing "Communism is going." The trouble is that there are at least 150 countries in the world that have never been ruled by communists, and I do not see them showering us with presents. After the first successful elections, followed by the second recent unsuccessful elections, the BSP has still not found adequate forms of political presence in the new society. It will be unpleasant for some people to hear this, but the party does not want to give up habits characteristic of the social parasitism usual for times of transition. I am not speaking only about the top leadership. This is rather a kind of spirit that pervades all levels of the party and almost every one of us: the spirit of bureaucratic contemplation and red tape reactions ("There is a problem—put it in a report"), incapability for independent action ("We must have a look and think it over")....

[Manova] Is this the chief omission that the BSP is guilty of, that it has not become an active "community?"

[Popov] This is the result. At the moment the party is a paternalistic community. It is not a modern civic community with clear commitments in answer to present problems. It is losing its sensors in the most lively sections of society—in the world of business, in civil formations of a professional, economic, youth, and intellectual type, and in the information industry.

[Manova] Who does not believe in the BSP?

[Popov] The people who felt they have been deceived did not vote for us, the ones who expected a stroke of good luck in order to restore their standard of living. They now place their hopes in the SDS. The ones who were frightened did not vote for us, feeling that it was better to stick with the stronger side. Then there is youth, for whom the BSP in some way reminds them of school. It is certain that what is taught is very clever, but it is very boring. The workers also did not vote for us—they expected a more specific social program. It is neither funny, nor absurd that an unshaven miner with a blue banner agitates for the SDS, for a right-wing conservative alternative of the transition that is ruining industry and making skilled people unemployed on a mass scale.

In general, the problem lies not in the lack of a class approach, but in the party's unwillingness to assume firm sociopolitical and economic commitments in response to the situation. A further point is that the party allowed itself to be identified with the people who bear the responsibility for the mistakes and scandals of yesterday.

We also failed to find adequate ways to defend democracy as a highly organized society, not as the freedom to commit outrageous acts. From now on, the BSP will have to learn the art of "exercising lawful civil pressure."

[Manova] The radicals were thinking of something like a bridge, a "center" between the BSP and the SDS. The renewal process has seized up as far as its "opening up" to other political forces is concerned. It appears that we failed to "open up."

[Popov] The striving to open up to society is an expression of change. Bolshevism was in fact bringing the party outside society, setting it above society from a doctrinaire viewpoint. It must now free itself of pretensions of elitism, "return" to society, and develop normal relations with all social and political forces and sectors.

The "Blues" and the "Reds" find it far easier to accept "black and white" schemes. Deep disillusionment is building up in society—everyone feels it in everyone else. This is a new sense of disillusion that has arisen after 10 November 1989. Not only prices and unemployment are sources of dissatisfaction. The populists are correct to some extent. Never has so much money been spent on the representative needs of the government, and the sums will increase. Again, competence is losing out to loud-mouthed self-praise. The crisis in confidence will intensify. However, the party's historical mistake is to orient itself towards some sort of "gentlemen's agreements behind the scenes" with the SDS instead of overt public agreements. The public ought to have been the guarantor of the agreements, to have stood behind them and defended them.

Another political mistake made by the party in the last election campaign was that it did not contest the plan for the reform. Bulgaria is becoming a capitalist country

again—this is unavoidable and necessary, but why must it be done in the most clumsy and rough way possible? Society rails at the past and consumes what it has accumulated.

[Manova] At the December congress you will issue your own alternative documents. What line will you follow?

[Popov] We want the congress to be completely businesslike, with fewer disputes on metaphysics. We shall insist on an open and precise analysis, on an exact assessment of the main events of the last eighteen months and the party's conduct during this time. We demand this not in order to start a quarrel, but we simply must know who has assumed which responsibilities, what has been achieved, what commitments have not been fulfilled, and why and how we reached this state of affairs. Each one of us must suffer his share of unbiased criticism. The successes, however few they may be, must also be assessed.

The congress must clarify the party's topical political positions on basic social problems—unemployment, the economic crisis, corruption, poverty, the Balkan conflicts, anti-intellectualism, and our national and civil security. It must propose specific projects to society, or at least we must order them to be drafted. These projects in their entirety will form our program.

We vitally need pragmatism. It would be fatal if the uncommitted sympathizer who is vaguely watching the party from the sidelines loses hope that the party can help him, not like a trade union nor as a charity association, but precisely as a political force. The BSP is needed not by its leadership but most of all by the majority of the nation, not in order to console and educate it, but to ensure that its problems are justly and sensibly resolved. The congress must categorically declare that the BSP has its own socialist project for humanizing the pluralistic market society.

One more thing, the party must make its peace with society. This means that the BSP must recognize that the 45-year experiment was basically a mistake, but our opponents should admit that it was an unavoidable one in the given circumstances, a mistake that it is immoral to condemn for its intention; it did not originate from evil intent.

Monarchists To Abstain From Presidential Ballot

AU1712132491 Sofia BTA in English 1239 GMT 17 Dec 91

[Text] Sofia, December 17 (BTA)—The Bulgarian Royalists will probably abstain from voting in the presidential elections scheduled for January 12.

The Korona Club has suspended the sign-in demanding the return of the exiled Bulgarian Monarch Simeon II so that it would not be interpreted as provocation before the presidential elections.

According to Mr. Khristo Dermendzhiev, chairman of the Kingdom of Bulgaria Confederation, Bulgarians with monarchist views may express their will by not going to the polls on January 12. "Voting for president means recognition of the presidential institution. I won't take part in the elections not because I dislike Zhelyu Zhelev but because I do not recognize the institution itself," Mr. Dermendzhiev told "PRESA."

According to him, the Kingdom of Bulgaria Confederation intends to work for a change of the state system through a referendum. "But it should be proposed by the National Assembly, it cannot be a spontaneous act," Mr. Dermendzhiev said. According to him, the number of non-voters in the upcoming elections will be indicative of the number of Royalists in Bulgaria.

The Kingdom of Bulgaria Confederation polled 1.82 percent of the vote in the October 13 elections, which means that 100,883 Bulgarians voted for it.

National 24-Hour Warning Strike Called for 8 Jan

AU1712142391 Sofia TRUD in Bulgarian 12 Dec 91 p 1

[Text] The Confederation of Independent Trade Unions in Bulgaria [KNSB] calls a national one-day warning strike for 8 January 1992 in protest against the helplessness of the government and parliament in carrying out the economic reform, against the irresponsible attitude to the unemployed, pensioners, and the poor, and against the brutal repression of trade union rights and freedoms and international law.

Tomorrow, (today—editor's note) 12 December 1991, the KNSB will deliver its official resolution to the government, parliament, and the Presidency, together with a statement of its reasons.

The KNSB appeals to the organizations of the Podkrepa Labor Confederation to act in solidarity and display trade union unity.

Razgrad Transportaton Workers on Strike

AU1712143391 Sofia PODKREPA in Bulgarian 12 Dec 91 p 3

[Nina Koleva report: "Transportation Workers' Strike Started in Razgrad"]

[Text] Over 300 employees of the "Avtobustrans" Company in Razgrad have been on effective strike since yesterday. The story of their discontent began as long ago as on 22 November when at a general meeting they requested the resignation of General Manager Yordan Stoilov and of his deputies. The drivers and employees insist on a financial investigation of the company, whose financial situation is desolate, according to them—a state of affairs for which in their view the management

should be blamed. The Ministry of Transportation evaluated the protest of the transporation workers as justified and decided to propose Mr. Stoilov's dismissal to the Council of Ministers, as Zdravka Lyubomirova, the spokesman of the strike committee, briefed us. Nevertheless, the decision has not been confirmed. This prompted the dissatisfied workers of the company to engage in effective strike action.

Defense Minister Meets Union Leaders

AU1712145991 Sofia TRUD in Bulgarian 12 Dec 91 p 1

[Report by Georgi St. Iliev: "Confederation of Independent Trade Unions in Bulgaria Captured the Ministry of Defense"]

[Text] On 11 December Defense Minister Dimitur Ludzhev held a meeting at the Ministry of Defense in Sofia with trade union representatives from the military industrial complex. The ministerial team was large, while the Confederation of Independent Trade Unions in Bulgaria [KNSB] was represented by Chairman Krustyu Petkov and Executive Secretary Asen Rizov.

Mr. Rizov summarized the problems that had arisen: delays in concluding managers' contracts; overhasty actions in setting up consortiums; and, yet again, state planning without provision of the necessary resources.... We need not mention the issue of wages—here the situation is desperate, and it will probably get worse.

Minister Ludzhev appeared to be under stress, and after 5 minutes ordered someone to be summoned. Little short of a storm broke out between him and Filip Filipov, from which it emerged that the minister was far more conversant with the situation than some of his subordinates who were personally responsible.

In the great confusion, it became clear that the goose that lays the golden eggs will be killed if the Elektron Company in Varna is closed down. We learned from the tank workers on the Black Sea that previously they were a forging shop for cadres, but now there is no forging shop and no cadres. Most upset of all were the workers at the Arsenal Company in Kazanluk; they believe in neither God nor the devil....

When saying farewell, the dashing defense minister promised his guests that he would get rid of Iliya Gunchev, general director of Metalkhim, and Ivan Ivanov, general director of Arsenal in Kazanluk.

Military Personnel Changes Announced

AU1712131191 Sofia BULGARSKA ARMIYA in Bulgarian 12 Dec 91 p 1

[BULGARSKA ARMYIA staff report]

[Text] By decree of the president of the Republic of Bulgaria signed on 6 December, the following changes have been implemented at the Ministry of Defense.

Colonel General Lyuben Petrov has been transferred to the post of chief of General Staff of the Bulgarian Army effective 1 December.

As of 6 November, Army General Yordan Mutafchiev has been appointed as chief inspector of the Armed Forces of the Republic of Bulgaria.

Colonel Engineer Nikola Nikolov is appointed chief of the Civil Defense of the Republic of Bulgaria. On 21 November, Lieutenant General Mikhail Yovchev was released from this post.

Colonel General Panayot Panayotov, deputy minister of defense for combat training is released from this post and from 1 June 1992 he is relieved from active military service.

Lieutenant General Engineer Stoyan Buchvarov, chief of the Command for Material Technical and Rear Supplies, is released from his present post effective 1 December, and from 1 June 1992 is relieved from active military service.

Major General Iliya Lenkov, Major General Milko Milev, Major General Petur Radulov, and Major General Georgi Karakekhayov are relieved from active military service effective 1 December.

Ownership of Small Stores, Businesses Restored

AU1712143491 Sofia DEMOKRATSIYA in Bulgarian 12 Dec 91 p 1

[Text] On 11 December parliament approved the second reading of the Law on Restoring Ownership Titles to Certain Stores, Workshops, Warehouses, and Studios. The bill was proposed by members Vasil Gotsev and Georgi Markov of the Union of Democratic Forces, and is in fact the first law on the restitution of citizen's confiscated property. During the second reading certain changes were made regarding the types of premises to be returned. Premises used for the sale of bread, meat, and milk products, fruit and vegetables, pharmacies, kitchens producing food for children, and advice bureaus cannot be used for another purpose for a period of one year.

Demes, Cheney Discuss Conversion, State Setup

AU1712194791 Bratislava NARODNA OBRODA in Slovak 13 Dec 91 p 6

[Peter Fridner report: "Over an Hour About Slovakia"]

[Text] Bratislava—Information on the conversion of the arms industry in Slovakia, developments in the former Soviet Union, particularly in the Ukraine, and Yugoslav problems were the main topics discussed during the meeting between Slovak International Relations Minister Pavol Demes and U.S. Secretary of Defense Richard Cheney, which took place during the latter's visit to Prague on 11 December.

Minister Demes was accompanied by Engineer Karol Droppa, section director at the Slovak Republic Ministry of the Economy, who is in charge of conversion issues. As Minister Demes pointed out in yesterday's interview with NARODNA OBRODA, conversion is the most frequent topic of Slovak communications to Washington.

One of the American participants in the meeting recalled that when presented with a report on Deputy Secretary of Defense Atwood's visit to the CSFR, President Bush surprised everybody by asking a very specific question: "Tell us, what is the situation in Martin?" It was obvious that he had discussed this issue with President Havel by telephone shortly beforehand.

The very fact that the U.S. Secretary asked for a personal meeting with the Slovak Government representative, and spent more than one hour in his company, demonstrates the U.S. Government's new attitude toward dealing with the constitutional problems in the CSFR, and in the East and Central European region in general. Richard Cheney was briefed in detail about the views Slovak politicians hold on these problems. Demes and Cheney agreed that the solution will not take the catastrophic Yugoslav form, but rather the civilized Canadian one.

They also expressed their satisfaction with the fact that the conversion issue has moved on from global studies, to the level of contacts between enterprises and discussions on concrete projects. According to Minister Demes, the Americans consider conversion in Slovakia to be a complex economic, social, and political problem, to which they attribute great importance in stabilizing the situation in Central and Eastern Europe. It would be a great help to Slovakia, if a small group of American experts were to come and assist in forming links between economic organizations.

Secretary Cheney listened with interest to Demes's report on his visit to the Ukraine, which is "psychologically independent," according to Demes. The Yugoslav problem was judged from the point of view of its possible impact on Slovakia. At this time, we have approximately 1,500 Croatian refugees—mostly children—in the republic, and if the situation does not improve, a flood of thousands more is expected.

Federal Government Discusses Budget, Subsidies

AU1812093991 Prague HOSPODARSKE NOVINY in Czech 13 Dec 91 pp 1-2

["(jop)"-signed report: "Lower Subsidies to Farmers"]

[Text] CSFR Economy Minister Vladimir Dlouhy presented to the government yesterday a draft for implementing specific steps in the policy for providing subsidies to agriculture and a report on the coordination of foreign assistance provided to the CSFR since 1990 and concomitant changes.

The first document contains a forecast concerning the development of prices on the domestic market and the consumption of basic food products in 1992, a draft for the regulation of agricultural production and the food product market, information on import quotas to the EC countries, the protection of the domestic market, export opportunities, etc. On 18 December, Minister Dlouhy intends to provide detailed information to the farmers at a meeting at the Economy Ministry in Prague. No later than 20 December, a document describing the principles of agrarian policy and giving figures on basic data will be published. Another part of the document deals with the Federal Market Regulation Fund and the policy for providing subsidies.

After the talks on budgets in Brno, the original amount planned for the Market Regulation Fund (6 billion korunas) has been slashed to 5 billion korunas. According to information provided by Dlouhy, subsidies will be slashed by one quarter (from 26 billion to 19.5 billion korunas). Except for the 5 billion korunas, the remaining amount (14.5 billion korunas) will go into the republican budgets. Subsidies by the federation will be used to encourage growing grass on cultivated land (2,000 korunas per hectare)—1,000 korunas after 1992—which represents a total of 182 million korunas in 1992. Moreover, the afforestation of the agricultural land on slopes steeper than 17 degrees will be encouraged by providing the amount of 375 million korunas. Third, subsidies will be used to partially compensate for the income loss incurred due to reduction in agricultural production under less favorable conditions. Subsidies will be optional—the function of the Market Regulation Fund (including its active role) is changing.

The Federal Government decided that a Council for Foreign Aid and Cooperation will be established as a coordinating, initiating, and advising body composed of representatives from federal ministries of foreign affairs, finances, and economy; and of representatives appointed by the Czech and the Slovak Governments. The council will be chaired by Dlouhy. He will administer the whole of foreign investment and non-investment assistance. It is expected that the statute of the council will be established by 31 January and that the [final] budget of the foreign aid in 1990 and 1991 will be also completed. The

Commission for the Coordination of Non-Investment Assistance has been abolished. The reason is the dissatisfaction of all the three governments over the coordination of foreign assistance.

CSFR Deputy Prime Minister Pavel Hoffman provided information at a news conference about the government's decision to put the Gabcikovo dam project into operation. The attitude of the Hungarian Government at the recent talks is viewed by the Federal Government as an ultimatum demanding that work be halted. The head of the CSFR delegation, Jan Carnogursky, was entrusted with appointing experts for the joint CSFR-Hungarian commission of specialists who will deal with alternative solutions to problems of the dam project system. If the Hungarian side is unwilling to agree on a compromise agreeable to both parties, the CSFR Government will support completion of the dam project on the Czechoslovak side only (the so-called "C" alternative), since the dam project is important not only because it will generate electricity but will also protect surrounding area from floods and make navigation possible on the Danube River during low water levels.

The draft amendment to the law on parental care has also been approved. It was suggested that the allowance for a child that is in parental care be increased and that the allowances be differentiated according to the age of the child: 800 korunas for a child up to six years of age; 900 korunas for a child aged six to 10; 1,100 korunas for a child between 10 and 15, and 1,200 korunas for a child between 15 and 26.

Marian Calfa will sign the Association Accord between the CSFR and EC on 16 December. This accord was approved by the Federal Government. When signing the treaty, Calfa will issue the following unilateral statement: "It is the CSFR that is exclusively responsible for the implementation of the Association Accord. In conformity with the CSFR constitutional laws, the Czech Republic and the Slovak Republic will participate in this implementation." The agreement must be approved by the Federal Assembly and ratified by the CSFR president. In view of the procedures of approval in the EC, it is expected that the treaty will take effect at the beginning of 1993. A part of the agreement—the part within the jurisdiction of the EC, and not the jurisdiction of the member countries (free movement of goods)—could take affect as early as at the beginning of 1992.

OH Leaders Respond to Klaus on Budget

LD1612140991 Prague Stanice Ceskoslovensko Radio Network in Czech 1300 GMT 13 Dec 91

[Report by reporter Marie Fleissigova]

[Text] Civic Movement [OH] representatives raised objections to criticism levelled against them by Vaclav Klaus on 11 December, when he accused the Civic Movement of sabotaging the federal budget. They declared that the movement has resolved to support the goverment draft budget. Changes in the relevant laws must, however, be debated first.

Describing, as he termed it, the unfortunate decision made by the Federal Assembly prohibiting the propagation of communism, Pavel Rychetsky called this another serious matter warranting comment. According to Rychetsky, it is not possible to prosecute someone for something he says, only for his actions—only an insult to the head of state, contempt of court, or a false accusation can be an exception.

Talking about the situation in parliament, Jan Sokol pointed to the consequences of the decision. Left-wing deputies are now refusing to vote. Despite this, Sokol hopes that cooperation in the Federal Assembly will be restored, because only thus it will be able to debate the federal budget and the constitutional setup.

State Bank's 1992 Economic Goals, Plan Outlined

AU1612162691 Prague CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY in Czech 14 Dec 91 p 1

[CSTK report: "Protecting the Savers' Interests"]

[Text] Prague—The Czechoslovak State Bank's [SBCS] fundamental aim next year will be to guarantee stability in the koruna's purchasing power and to limit average price increases to within 10 percent. This policy is outlined in a report released after yesterday's SBCS Banking Council session.

As the report emphasizes, this is a demanding task, because it is impossible to precisely estimate the influence of many inflationary factors. In this connection, the Banking Council considers pressure to increase budget expenditure and wages to be very dangerous.

The SBCS Banking Council considers the current level of interest rates to be adequate. However, next year it is resolved to create the conditions to ensure that interest rates can develop in accordance with supply and demand on the money market.

The SBCS will use its mechanisms to control the amount of money in the economy so that our currency's purchasing power is not affected and the savers' interests are not endangered. At the same time, the bank feels it is necessary to use its authority to purposefully influence the commercial banks' activities. Its intention is to assert differentiation in their credit and interest rate policy and to develop the banking and financial market on a multilateral level.

Citizens will be able to purchase foreign currency for 7,500 korunas next year, in view of favorable development in the balance of payments. At the same time, the Banking Council has decided that it will not be possible to draw on the 1990 and 1991 unused limits. The sale of foreign currency will be the same as this year, including notification in travel documents.

Number of Private Entrepreneurs Reaches 1 Million

AU1612154991 Prague HOSPODARSKE NOVINY in Czech 13 Dec 91 p 1

[Unattributed report in the "HOSPODARSKE NOVINY Chart" column: "Private Entrepreneurs"]

[Text] The number of private entrepreneurs registered according to Law No. 105 of 1990 increased by 210,000 (184,000 in the Czech Republic and 26,000 in the Slovak Republic) in the third quarter of the year. As of 30 September, their number totalled 1,131,000. The overwhelming majority of registered entrepreneurs do not engage in private enterprise as their only and main occupation, but as a side job.

[The HOSPODARSKE NOVINY report is followed by a chart of two by two inches illustrating the development of the number of registered private entrepreneurs in the course of 1991. It shows that, as of 30 September, there were 897,000 private entrepreneurs in the Czech Republic and 234,000 in the Slovak Republic.]

'Classified' Report Describes FIS Situation

AU1812105691 Prague RUDE PRAVO in Czech 14 Dec 91 p 1

[Nada Adamickova and Marie Koenigova report: "Chaos, Information Leaks, and Possible Links to Foreign Services"]

[Excerpt] Separating the Federal Security and Information Service [FIS] from the Federal Interior Ministry is proceeding very slowly. The ministry is interfering in the FIS' activity, so it is impossible to talk about the intelligence service's independence. Non-constitutional bodies even interfere in its activity. Almost no tasks are given to the FIS. Its personnel policy is rather chaotic, and the new people's activity is being stifled. There are many indications that information is being leaked from the intelligence service, and even the possibility of personal links to foreign intelligence services cannot be ruled out. Apart from this, no system has been established to circulate information, so it is passed on verbally. This apparently complicated the investigation into the unsuccessful intervention incident at Mosnov Airport.

This is roughly the information given to members of the Federal Assembly Presidium when the parliamentary commission supervising FIS activity submitted its first report—marked classified—to them this week. According to our information, the Presidium has decided to return to the issue of FIS activity and brief the president on it.

The Government Anticipated the Federal Assembly Commission's Move

On the basis of this and other information, a proposal was submitted sometime ago to recall FIS Director Jiri Novotny who—according to sources close to the FIS—apparently bears a substantial part of the blame for the inadequate way the service is run. Following a recommendation from the Federal Government, Jiri Novotny was dismissed from his post by President Havel on 13 December, and Federal Assembly Deputy Stefan Bacinsky (Civic Democratic Union-Public Against Violence) was appointed FIS director starting 1 January 1992. [passage omitted]

ODA Explains Position on New Communism Law

AU1612165091 Bratislava NARODNA OBRODA in Slovak 14 Dec 91 p 2

[CSTK report: "A Murder Is a Murder"]

[Text] Prague—Some deputies from the Civic Movement used the statement by President Vaclav Havel that says that there is a definition of fascism, but that there is no definition of communism and said that this is why Havel is "not certain whether the word communism should be used in the legal code". We consider this to be an insufficient criterion. This is what Daniel Kroupa, Civic Democratic Alliance [ODA] deputy chairman, said at a news conference yesterday.

He referred to the amendment passed to the criminal law that says, among other things, that "whoever propagates or supports a movement demonstrably directed at the suppression of human rights and freedoms or a movement that professes ethnic, racial, class, or religious hatred (such as communism or fascism, for example) will be punished by a prison term of one to five years."

"We consider a murder to be a murder, regardless of whether a court made a decision on it, or not," D. Kroupa added. ODA Chairman Pavel Bratinka said on this subject that it was precisely Civic Movement deputies who always wanted communism to remain without a definition. He went on to say that the ODA considers the amendment to the criminal law to be well founded. He also stressed that the fact that the communists are wearing the Jewish star on their lapels is a desecration of the memory of millions of Jewish victims.

On the subject of the coalition talks, D. Kroupa said that "ideological and political closeness between the ODA and the Hungarian Independent Initiative is leading these parties into coalition talks." He also said that the coalition talks with the Civic Democratic Union-Public Against Violence had progressed so much that the coalition would be established in January 1992.

Course, Conclusions of SDL Congress Reviewed

AU1712142291 Bratislava PRAVDA in Slovak 16 Dec 91 pp 1-2

[Martin Krno, Ivan Podstupka report: "Continuation in Spring"]

[Text] Trencin— At the First Congress of the Party of the Democratic Left [SDL], which was held in Trencin on 14 and 15 December, some 200 delegates represented the SDL's 47,000 registered members. The SDL's deputies to the Slovak National Council and the Federal Assembly also had the full rights of congress delegates. The participation by foreign delegations and guests from other parties from the CSFR indicated that the SDL is getting out of isolation.

The congress is the culmination of a two-year-long effort by that part of reform-minded members of the former Communist Party of Slovakia who did not understand November 1989 as their personal defeat but as a chance for a new left-wing policy, as a challenge to work, as citizens, toward the creation of a genuinely democratic political system and an efficient socially and ecologically oriented market economy," said SDL Chairman Peter Weiss in his speech. As he went on to say, the SDL gives to the emerging political left as its christening present its profound social feeling, sense of civic and human solidarity, respect for democracy, as well as a solid intellectual and organizational background. The party is open to everyone who agrees or sympathizes with its goals and policy, but it rejects those who are responsible for the former regime's sins.

Peter Weiss also assessed the political situation. The ruling right-wing team is having increasing difficulties pushing through its intentions by democratic means. Moreover, its social base in Slovakia is narrow. That is the reason for the endeavor to accelerate changes in ownership relations. In its endeavor to adapt the social development in Slovakia to its ideas, the right wing is using all means of political power and propaganda, including the reinforcement of the powers of the government and the president at the parliament's expense.

In connection with the issue of constitutional and legal arrangement, Peter Weiss said that the SDL has never raised the question of whether to preserve the coexistence of Slovakia and Bohemia but on which principles it should develop.

He drew attention to the fact that, apart from primitive Slovak nationalism, there is also Czech chauvinism. The SDL sees Slovakia as part of a federation of two equal and sovereign republics. The new constitutional system must provide the guarantee of a new, looser federation with confederative elements. In addition to the central state, the individual republics, too, should have the status of subjects under international law.

The time is ripe for cooperation, not only with left-wing forces but also with other political forces that are determined to halt economic decline, return to citizens their basic social guarantees, and to establish conditions for true social partnership and for respect for human and civic rights.

Of great cognitive and pragmatic value is the document "Points of Departure of the SDL's Economic and Social Policy," which was introduced by Jozef Kosnar, deputy to the Federal Assembly. The document analyzes the causes of the economic situation and shows the path toward a socially and ecologically oriented market economy.

Internal party problems were hardly spoken of in the debate. The delegates dealt, first and foremost, with the economic and social situation in society and with the defense of democracy and human rights. The discussion statement by Olga Marhulikova, deputy to the Slovak National Council, about the steadily deteriorating standing of women in society served as an impetus for the founding of the Preparatory Committee of the Women's Association of the Democratic Left.

Peter Weiss—who was the only candidate, after all the other contenders withdrew their candidacy—was reelected SDL chairman (of the 187 ballots cast, 184 were valid, all of which were for Peter Weiss). Pavol Kanis (first deputy chairman in charge of international relations), Alzbeta Borzova, and Dusan Dorotin were elected deputy chairmen. The SDL Executive Committee has, apart from them, 17 other members and 3 substitutes.

The stormiest part of the congress was the debate on programmatic documents. The delegates approved, with amendments, the following material: "What the SDL Strives For," the "Points of Departure of Economic and Social Policy," "Organizational Rules," as well as draft resolutions on constitutional and legal issues, the political and economic situation in the Slovak Republic and the CSFR, and on the position of national minorities and ethnic groups. Significant is also the resolution "For a New International Left," according to which the SDL seeks involvement in the activity of the Socialist International. The delegates decided on the SDL's withdrawal from the federation with the Communist Party of Bohemia and Moravia, which, however, does not mean the breaking off of mutual contacts.

The first part of the SDL congress ended. The delegates will meet again in spring to approve the SDL's electoral program and list of candidates.

Defense Minister Departs for Moscow, Kiev

LD1812094491 Budapest MTI in English 0801 GMT 18 Dec 91

[Text] Budapest, December 18 (MTI)—Hungarian Minister of Defence Lajos Fur on Wednesday left for Moscow, to sign a cooperation agreement between the Hungarian and the Soviet Ministries of Defence with his counterpart, Yevgeniy Shaposhnikov.

The Hungarian minister will travel on to Kiev on Wednesday, and will meet several high-ranking Ukrainian leaders.

The text of the Hungarian-Soviet military cooperation agreement was prepared earlier. In view of the transformation that has taken place in the Soviet Union over the past period, a clause has been included in the document, which states that inasmuch as basic changes take place in the name or status of the sides to the contract, it will be amended accordingly.

Spokesman Views Maastricht Summit 'Success'

LD1812000491 Budapest MTI in English 1319 GMT 17 Dec 91

[Text] Budapest, December 17 (MTI)—The success of the EC's Maastricht meeting to work out a unified position despite the obvious clashes of interests has set an example for Eastern Europe. Hungary is of the view that after the Maastricht summit the European Community can increasingly support the East European reform processes and the region's integration into the European system of relations. It is also hoped that the EC can take more effective action against the destabilizing factors present on the continent, Foreign Ministry spokesman Janos Herman told the press on Tuesday.

This event of historic significance marks a milestone in the creation of a new, democratic Europe and opens a qualitatively new phase in European integration processes, the spokesman added.

Outlining the schedule of diplomatic visits, Janos Herman announced that Foreign Minister Geza Jeszenszky would make a trip to Bonn from December 18-19 at the invitation of German Foreign Minister Hans Dietrich Genscher. The Hungarian-German basic treaty will be initialled during the visit. The signing date will probably be fixed later so as to coincide with Chancellor Kohl's Budapest trip. Geza Jeszenszky will leave Bonn for Brussels to attend the founding session of the North Atlantic Cooperation Council.

Norwegian Foreign Minister Thorvald Stoltenberg is scheduled to arrive on a one-day official visit in the Hungarian capital on January 6.

On behalf of the Foreign Ministry, the spokesman welcomed the repeal of the 1975 UN resolution which condemned Zionism as a form of racism. On this score, the spokesman stressed that the democratically-elected Hungarian Government had from the beginning regarded Zionism as the idea underlying the foundation of a Jewish state.

Official Views EC Membership Prospects

AU1712130991 Budapest MAGYAR HIRLAP in Hungarian 16 Dec 91 p 8

[Interview with Janos Martonyi, foreign affairs state secretary designate, by Ilona Kocsi in Budapest; date not given: "Brussels Can Be Hungary's Historic Chance"]

[Excerpts] Last week, the world's eyes were on Maastricht, the difficult moments of the birth of the European Union. Today, hopefully, Brussels will be the focus of attention, because the prime ministers of three Central European countries—the CSFR, Hungary, and Poland—will sign the association agreement with the EC. However, ordinary daily routine will follow the ceremony, namely the establishment of true association and preparation for full membership. The question, though, is whether the "European train" speeded up by the union will go too fast for us to catch up with?! We interviewed Janos Martonyi on this issue in his office in the Ministry of International Economic Relations. [passage omitted]

[Kocsi] By the time our full membership comes up at the end of this decade, we will have to join a completely different EC than the current one. Let us assume that we will also develop fast during this period, but the EC may have gained the speed of a rocket through the Maastricht agreement.... In a given situation, this might present an insurmountable problem.... [passage omitted]

[Martonyi] We would like to have full membership before the turn of the century.... Until then, we have time to adjust. An incredibly important historical period is beginning for us now: We either manage to speed up the Hungarian process of transformation and thus become full members of a developed Europe, or we cannot avoid remaining completely behind.... If we stay out of modernization, that might amount to a national tragedy. Europe might become divided into two forever. Now, we are given a chance for success and this is why I believe that the next five to eight years will be decisive. I could not name another period in the last century of Hungarian history that was as crucial as this.... Rather than the amount of deficit in one year or another, the issue today is whether the Hungarian reform attempt can become a model for success or end up in a blind alley. This little Hungarian success can be destroyed from the inside extremely easily. Everyone has to see that. [passage omitted]

[Kocsi] You said that joining Europe is our great historical chance. Is it possible that this chance will evaporate as a result of external factors?

[Martonyi] Which region do you mean?

[Kocsi] All of them. The Eastern region, because its political events can also influence our chances, and the Western region, because it might reconsider having us after such events....

[Martonyi] Western receptiveness definitely exists but it depends on the speed of our ability to adjust. Naturally, our success here can be influenced by developments in the Eastern region; this is a fact. However, I believe that this danger does not exist anymore from an economic point of view. It is our fortune, or misfortune, that the importance of the former socialist region has decreased and its economic changes cannot create a catastrophe for us. Regardless of this, I think that establishing the best possible economic and political relations with the countries of the new commonwealth is extremely important for us. We have every opportunity to do this now. This is a peculiar situation. A Hungarian prime minister has never been received the way Jozsef Antall was received in Moscow and Kiev.... They even competed with each other a little. We must also make efforts to develop good relations. I would very much support the idea of giving humanitarian aid to Russia, or the Ukraine if necessary, by sending medicines, for example. Helping a friend in need makes a lasting impression on the Russian soul—they will not forget it in the future, either. Naturally, in the meantime, we are negotiating hard on the repayment of debts and settling accounts after the troop withdrawals, that is, we wish to exert our economic interests. Now is the time for laying the foundations of long-term relations with Russia, the Ukraine, and Belarus. Their stabilized conditions are favorable for us, too, because we will not have problems with our energy supply—to mention a selfish point—or with the handling of nuclear weapons.... In that case, nothing will endanger our adaptation from their side. [passage omitted]

[Kocsi] Compared with the beginning, how far have we got and where from? Where did we fail? Employment matters are usually mentioned at this point....

[Martonyi] We would have liked to have achieved more in the area of free movement of labor. However, even 18 months ago, I thought that there was little chance of success here. Trying to overcome the great fear of foreign labor is a hopeless cause. We tried, nevertheless. On the other hand, we achieved more in certain areas.... The fight was over the theoretical inclusion of full membership as an aim in the agreement. We debated this for months and now it is included. We said that Hungary would not complete the agreement without actual agricultural allowances.... In the beginning, the EC delegation did not have a mandate to discuss this issue. After a lot of debate, we were granted agricultural favors. [passage omitted] The political dialogue also includes security policy.... I do not think anyone could have thought about this 18 months ago.

[Kocsi] How will the Hungarian society's image of the economy change as a result of the association? In other words, how much will Hungarian average citizens perceive from this? There are some worries concerning the association—I am talking about factories going bankrupt because of increased competition, unemployment increasing even more rapidly than now. At the same time, there are a lot of illusions regarding expectations. This agreement could be some kind of a "savior" that will remove our economic difficulties....

[Martonyi] The fate of the Hungarian economy mainly depends on the size of foreign demand for its goods. We can only enter a growth course through an export-generated process. Our EC association improves the conditions of access to the markets, therefore, it increases demand. If this is coupled with an improving market prosperity that is indicated for 1992 and 1993, then the Hungarian economy will receive a very strong boost. This means that fewer factories will have to be closed down, fewer people will become unemployed, and it will be easier for the Hungarian economy to enter the growth course. Hungarian enterprises and even the individual entrepreneurs will be allowed to settle in the EC countries. This is an incredible opportunity. The agreement is also very significant for investments, because foreigners will feel more secure in Hungary. I could also cite the possibilities of infrastructure and financial cooperation.... I am not certain that people fully perceive all this now.... However, they will certainly gain from the strengthening of the economy.

Defense Officials Clarify Recent Border Incident

AU1812105991 Budapest NEPSZABADSAG in Hungarian 14 Dec 91 pp 1,2

[MTI report: "Belgrade Is Sorry And Apologizes"]

[Text] Major General Jozsef Biro, first deputy chief of staff of the Hungarian Army, received Lt. Colonel Jusuf Banjica, Yugoslavia's military and air force attache, on 13 December. The meeting took place by Yugoslav request.

Hungarian Defense Ministry Spokesman Colonel Gyorgy Keleti informed us that, on behalf of his chief of staff, the Yugoslav military attache informed the Hungarian side that the ground-air air defense missile found intact on agricultural land between Gara and Bacsborsod on 29 November, a few kilometers from the Hungarian-Yugoslav border, originated from the Yugoslav Army. Jusuf Banjica admitted that the Yugoslav Army had such missiles (KUB 3M) in their possession and that the missile in question was launched from the Zombor area.

Jusuf Banjica said that they discovered unidentified aerial targets in the evening hours of 28 November, targets that were flying into the Yugoslav airspace from the direction of the Hungarian border. The Yugoslav People's Army launched air-defense missiles against these targets and, in the course of this action, one missile inadvertently reached the Hungarian airspace. Jusuf Banjica apologized for this and expressed his sorrow.

In his reply, Jozsef Biro pointed out that there were no Hungarian aircraft flying in the area at the time in question.

State Secretary Views Ethnic Minority Issues

AU1612201391 Budapest MAGYAR HIRLAP in Hungarian 14 Dec 91 p 9

[Interview with Geza Entz, political state secretary at the prime minister's office in charge of the affairs of Hungarians living abroad, by Dezso Pinter; place and date not given: "International Norms of Hungarian-Hungarian relations"]

[Excerpts] [passage omitted]

[Pinter] How do the governments of our neighboring countries look upon the work you have done so far?

[Entz] They accept our existence. I have heard Slovak and Romanian officials say that, in fact, they should be learning from us because they did not deal with Slovaks and Romanians living outside their borders in the required manner. Our relations can be judged by the fact that I have paid official visits to all neighboring countries in the past 18 months. Although my 10-day Romanian visit was later considered to be a private visit by the Romanian Foreign Ministry, during this visit I was received at the highest level and was able to meet government and party leaders and members of the press. [passage omitted]

[Pinter] In other words, none of the neighboring countries objected to the existence and operation of your office?

[Entz] No, they did not do so in any way. This, of course, does not mean that we are not subjected to repeated attacks by the extremists of the Romanian press. The most bizarre statements are published. [passage omitted]

[Pinter] According to experience, people in Romania believe much of these kinds of statements. They are not familiar with Hungarian procedures and are not informed about Hungarian political developments relating to neighboring countries and the intentions of our policy on national minorities.

[Entz] I agree with you there. The well-known mechanism of searching for scapegoats continues to operate in Romania. This does not go without results in the rather bad economic situation, and a large part of the Romanian press as well as, occasionally, the Parliament can be held responsible for inducing this dangerous atmosphere. Many statements on Hungary's intentions made in the Parliament and spread throughout Romania by television amount to chauvinism against the people, nation, or the ethnic minority. A similar situation, unfortunately, has also developed in Serbia. All these factors make it very difficult and sometimes impossible to build relations that serve the interests of the affected peoples. [passage omitted]

[Pinter] Have there been any recent political events in Hungary which resulted in misunderstandings or misinterpretations in neighboring countries? [passage omitted]

[Entz] Statements by certain Hungarian opposition groups and sometimes the governmental side (but not by the government) are given a lot of space in the press of neighboring countries. These statements are for domestic political effect, but they injure the entire country and Hungarians living outside our borders. Jozsef Antall said that, in spirit, he wanted to be the prime minister of 15 million Hungarians. This sentence provided fuel for the opposition for a very long time, and many of them wanted to prove that they had found the evidence of great power politics and irredentist aims. Their rhetoric appeared in the Romanian and Slovak press and, I may say, caused great damage. [passage omitted]

[Pinter] How intensely and in what ways do Hungarian political forces try to influence Hungarians living beyond our borders?

[Entz] Practically all Hungarian political forces have such links, and I think that this is natural. There have been and probably will continue to be periods when rather traditional methods of rendering assistance are needed, such as food and medical aid, transportation of cultural products and duplicating machines, everything that is necessary to build a modern society. Relations with Hungarian political organizations can also contribute to establishing the appropriate structures. Problems can arise if these relations lead to dissension among people living in minority areas and this dissension damages the protection of interests. [passage omitted]

We have to have a neutral attitude toward national minorities and not represent party political interests in the capacity of government officials, either. We strive to help the minorities by strengthening them institutionally, and we do not try to interfere in the political debates of these minorities. [passage omitted]

[Pinter] How much attention do you pay to political organizations?

[Entz] The most attention possible, and we try to use all sources of information for that.

[Pinter] What is the opinion of the parliamentary parties on the work of your office?

[Entz] There is a consensus on the basics of national minority policy and I do not know of any opposition parties criticizing our the strategy followed by our secretariat. Our aim is to help prevent Hungarians living in neighboring countries from becoming scapegoats, and thus stop Hungary from entering into conflicts with the states where Hungarian minorities live. Removing the conflicts is in the interest of all peoples of this region bacause prosperity is impossible otherwise. We have to realize that the recognition of national and ethnic differences and the autonomy efforts of the various nations and national minorities is considered to be a fundamental issue of democracy in Central and East

Europe. Starting from this premise, we consider inter-Hungarian relations and the building of relations between parts of nations living in other countries to be a basic policy. National pluralism has to be part of the state structure and laws in a constitutional framework. The fact that the national minorities demand this is a natural process in our view, and we also support it in the international political sphere. We think that the Hungarian-Ukrainian statement signed in the spring of 1991 on national minorities can provide an example. This statement can even be considered to be an interstate agreement in some of its points. We encourage the acceptance of similar documents with all countries to provide a framework for free cooperation between the mother nation and the people of this nation living on the territory of other countries.

We would like to participate very actively in the representation of national minority issues in international institutions. We pay attention to all possible international forums but mainly to the Council of Europe, as this institution issues the "European entrance tickets" on the basis of norms recorded in the conventions. The formation of Hungary's national minority policy is also part of our strategy. Although this is not the task of our secretariat, we must participate in this process. We attribute great importance to the bill on national minorities which is being drawn up now, because it is being prepared in conjunction and in consent with the organizations representing Hungary's national minorities. We do not wish to "export" this bill and do not consider it a model. We wish to promote social peace in Hungary through this law, and we believe that this principle can also be used in other countries and be adjusted to the specific requirements of solving the problems of national minorities. [passage omitted]

[Pinter] Europe and the rest of the world recently became much richer in experience in connection with the Yugoslav civil war. One of the lessons is that countries that are decisively strong in political, economic, and military respects have shown great caution, or I could say, insensitivity toward a quick solution to this crisis. It is quite possible that the world is less interested in this region than we assumed, but it is also possible that the world still does not understand the fundamental problems of this region, including the national minority problems. What is your experience?

[Entz] People who shape world politics have little knowledge of the situation of Central and East Europe. This region was considered to be part of the Soviet empire for four decades and no serious differences were observed among the various countries. In addition, knowledge in the West usually shows a distorted picture of our region, a picture that the peacemakers of World War I would liked to have seen and on what they based the peace. This means that there are good and bad nations, peoples with positive and negative characteristics, and there are trouble makers and victims. The current policymakers learned this image at their universities and read about it in the specialized literature. Now that the falseness of this image is revealed, there is general astonishment and uncertainty. This transitional period will probably last for a few years to come, because the Western world will literally have to learn about Central and East Europe and its cultural, historical, and sociological microstructures. We cannot talk of constructive action without this knowledge.

[Pinter] How do you assess the interest of the West in gaining the correct information?

[Entz] All countries strive for stability, and the status quo was previously supposed to be the basis of this stability. The recent period proved that the assurance for stability is nothing but the continuous change of the status quo. The road toward stability leads through the political expression of the interests of national and ethnic minority communities living here. It is also in the interest of the West to be clear about information relating to this process. It is not only West Europe that does not know these issues, however, because we know relatively little about our neighbors, too, and our neighbors may know even less about us. Therefore, there is a general lack of knowledge, and this state of affairs can be misused very well in some places. We cannot talk about a unified Europe policy in any respect. [passage omitted] Everyone knows now that West Europe has a strategic interest in the fate of Central and East Europe, but a common philosophy is just developing in regard to the way this interest should be manifest in everyday politics.

National Assembly Debates 1992 Budget

LD1812035291 Budapest MTI in English 1109 GMT 17 Dec 91

[Text] Budapest, December 17 (MTI)—The Hungarian National Assembly continued its debate over the 1992 budget in Budapest on Tuesday.

Prior to this, Ivan Szabo, the newly appointed minister of industry and trade, took the oath of office.

In the debate over the budget, Peter Tolgyessy, president of the Alliance of Free Democrats [AFD], proposed that the debate should not be closed until all contributions were heard. In his view, the budget could thus not be accepted this year. He argued that the government submitted the draft later than planned, which is why time should be provided for everyone to examine the rather lengthy document.

Imre Konya, head of the parliamentary group of the Democratic Forum, accused the opposition of obstruction. Inasmuch as the budget is not approved in time, the country's financial stability could be endangered, he said.

Marton Tardos, head of the AFD's parliamentary group, said the opposition does not at all want to obstruct the approval of the 1992 budget this year. Prime Minister Antall appreciated this view, and said he believes parliament will be able to approve the bill this year, with more intensive work.

Bela Katona (Hungarian Socialist Party [HSP]) brought up data to prove that inasmuch as the economic processes develop according to the plan, the average income of a family with two children will fall under the minimum subsistence level. He repeated the proposal made by Laszlo Bekesi (HSP) last week, whereby the government should withdraw this draft budget, and submit a new one by March.

The presiding Matyas Szuros announced that by Tuesday morning 80 MPs [members of Parliament] had indicated their intention to take the floor.

Peter Tolgyessy of the Alliance of Free Democrats (AFD) shared the view that a new version would be necessary. The government, he said, is succumbing to interest groups formed in the late Kadar era, and has a bad conscience for failing to assert the interests of the social groups figuring in its programme.

President Appoints New Officials

LD1812024891 Budapest MTI in English 1423 GMT 17 Dec 91

[Text] Budapest, December 17 (MTI)—Hungarian President Arpad Goncz presented the documents about the appointment of Ivan Szabo as minister of industry and trade, Dr. Janos Martonyi as administrative secretary of state at the Ministry of Foreign Affairs, and Dr. Jeno Laszlo, as titular secretary of state, in the parliament building on Tuesday afternoon.

Akos Peter Bod, president of the National Bank of Hungary [NBH], and NBH Vice-Presidents Sandor Czirjak, Frigyes Harshegyi, Laszlo Bodi and Imre Tarafas received their appointment documents and took an official oath on the same occasion.

The ceremony was attended by Prime Minister Dr. Jozsef Antall, Foreign Minister Dr. Geza Jeszenszky and Administrative Defence Ministry Secretary of State Antal Annus.

Pozsgay: NDSZ Will Operate as Party

AU1812123891 Budapest UJ MAGYARORSZAG in Hungarian 17 Dec 91 p 3

[Unattributed report: "Will It Become a Parliamentary Party?"]

[Text] The National Democratic Alliance [NDSZ] wants to be an alliance of persons and organizations that sees our nation's future and the guarantees of Hungary's democratic development in the coordination and integration of interests and the mobilization of various talents, rather than in increasing the conflicts between various strata and groups of society—NDSZ executive chairman Imre Pozsgay said, describing the goals of this alliance on 16 December. Imre Pozsgay then said that, after the movement's founding on 17 May 1991, this will be their first general meeting to be held in two stages: on 20 December and on 10 January. In the first stage, they will discuss the political situation and the status of this alliance, and they will also elect the leading bodies. In the second stage, they will adopt their plan of action.

Imre Pozsgay said that their membership was continuously increasing, with people of widely varying ages requesting acceptance as members. Imre Pozsgay also pointed out that the NDSZ was functioning as an organization between two elections, but it would act as a political party during the elections and will strive to assert its policy as a strong parliamentary party.

250,000 Workers Join Two-Hour Warning Strike

LD1712204491 Budapest MTI in English 1840 GMT 17 Dec 91

[Text] Budapest, December 17 (MTI)—250,000 people answered the appeal of the National Federation of Hungarian Trade Unions (NFHTU) and went on a two-hour warning strike this morning. Another 300,000 people expressed their sympathy by holding 30-minute workers' rallies, NFHTU President Sandor Nagy said at a press briefing today.

The NFHTU called the strike to press social welfare demands.

According to strike rules, the aim of a warning strike is to exert pressure on management during negotiations with employees. "But are there any genuine talks going on at all?" a journalist asked.

In answer, Nagy said negotiations are still underway about the wage-tariff system and minimal wages, following an interest coordination council session December 6 and 7.

During the warning strike, more than 100,000 people expressed readiness to stage a general strike if the government does not change its attitude.

Nagy said he is hoping the government will be open for genuine comprehensive talks.

The NFHTU strike appeal was answered by 28 of NFHTU's 68 member unions.

Environmental Minister Discusses Plans, Budget

AU1812140991 Budapest NEPSZABADSAG in Hungarian 14 Dec 91 p 19

[Interview with Minister for Environmental Issues Sandor K. Keresztes by Gyozo Daniss and Istvan Palugyai; place and date not given: "It Has Already Been Said That I Am the Little Boy in the Government"]

[Excerpts] [passage omitted]

[NEPSZABADSAG] What is the state of the environment in the area where we live, in the center of the Carpathian Basin?

[Keresztes] A great deal of pollution comes across to Hungary from our neighboring countries. However, we also receive most of our energy from there! The state of our environment is definitely better than in the CSFR or Romania. I would add that this is not primarily because our environmental protection activities are better, but because our industrial structure is different. It is encouraging that we have signed framework agreements with the Ukrainians and the Slovaks that will harmonize the environmental tasks that affect both sides. Our work is facilitated by the fact that there are numerous similarities between the Hungarian and Slovak ministerial structures—but our work is made more difficult by the debate that has developed around Bos, a debate that places too much emphasis on emotional aspects.

[NEPSZABADSAG] To what extent do we comply with the international environmental protection agreements that we have signed over the last few years?

[Keresztes] For example, we have already complied with a contractual point to reduce our sulfur-dioxide emissions by 30 percent by 1993. To be more exact, this point was immediately complied with. Indeed, part of the improvement was brought about by the fact that certain factories in certain industrial branches were closed down (due to economic or financial restraints, not because of environmental considerations). We would like to make sure that the pollution levels do not rise even if these factories are opened again. [passage omitted]

[NEPSZABADSAG] The Ministry for Environmental Issues should definitely undertake something to change people's attitude toward the environment.

[Keresztes] To estimate existing damages is undeniably a task that requires money and tools. However, the prevention of future pollution is more a question of social demand. This in turn has numerous material consequences that burden the pockets of the population and other ministries. Consequently, our future environmental policy will concentrate on modifying public opinion, so that everyone understands the necessity of these measures. Our aim is to ensure that the price of all products covers the cost of abolishing the environmental damage caused by these products, or at least a part of that cost. We hope that parliament will decide in January on the acceptance of a 50-filler environmental charge (incorporated into gasoline prices), but this debate will very probably show that although the population wants a clean environment, people find it very difficult to bear the burdens inflicted upon them through this process. The ministry can definitely be blamed for not being very efficient in its efforts to consciously form public opinion. Now we are looking for adequate experts. Unfortunately, those who deal with such tasks in social organizations are reluctant to undertake the same kind of work in the ministry. [passage omitted]

[NEPSZABADSAG] Many people expect miracles from foreign capital. Are these expectations well-founded?

[Keresztes] There are a lot of illusions in Hungary at the moment. So far, we have received approximately $50 million in assistance to protect our environment. We have primarily received measuring instruments and plans, and to a smaller extent we have received money (loans rather than aid). [passage omitted]

[NEPSZABADSAG] Perhaps the ministry's most important task at the moment is to have the environmental protection bill approved. [passage omitted]

[Keresztes] In the debate on the environmental protection bill it was decided that a general framework bill would be drafted first, and that this would be followed by new laws on specific areas. Our other dilemma is that it would be pointless to literally take on (for example) the U.S. law on environmental protection because it would be impossible to implement in our circumstances. [passage omitted]

[NEPSZABADSAG] How much money will the "ministry of ministries" have next year?

[Keresztes] We have not yet managed to break away from the basic approach. The ministries are generally allowed to increase their previous budget by the same "coefficient." However, this budgetary method does not really take into account the modifications in the number of tasks incumbent on the various ministries. We are receiving marginally more than we could expect on the basis of our "coefficient." However, the meager years are not over yet. The most important governing task for at least a year or two will be to simply keep the economy on its feet. Our ministry also needs to realize this.

Sejm, Leaders Respond to Olszewski Resignation

Sejm Vote Planned

LD1712174191 Warsaw PAP in English 1447 GMT 17 Dec 91

[Text] Warsaw, Dec. 17—The Sejm (the lower house) is to vote Tuesday or Wednesday on a motion on Jan Olszewski's resignation as prime minister and an absolute majority of votes will be necessary to adopt it. If the Sejm accepts Olszewski's resignation, Vice-Premier Leszek Balcerowicz will run the work of the caretaker government till a new prime minister is appointed.

If the Sejm rejects the motion, the situation will get considerably complicated. Jan Olszewski will continue to be prime minister, while the government will retain its old composition. At the same time, the president will not be able to designate a new candidate for prime minister.

Walesa Expresses 'Astonishment'

LD1712192591 Warsaw Radio Warszawa Network in Polish 1800 GMT 17 Dec 91

[Statement by the presidential spokesman of the Polish Republic; place and date not given—read by announcer]

[Text] It is with great astonishment that the president has received statements that were included in Prime Minister Jan Olszewski's letter to Sejm Speaker Wieslaw Chrzanowski. During the conversation that the president had yesterday with the prime minister, accompanied by his three collaborators, not a single word was mentioned that would indicate the assessment included in the letter.

The president has stated several times that he acknowledged the list of the proposed composition of the government and an outline of the government's economic program. At the same time, however, he noted that in view of the tasks facing Poland, the program and the personnel composition of the cabinet do not guarantee that these problems could be solved. Therefore, the statements included in the prime minister's letter must be seen, at least, as imprecise and as evoking understandable amazement.

Olszewski Discusses Resignation

LD1712212591 Warsaw Radio Warszawa Network in Polish 1800 GMT 17 Dec 91

[News conference by Prime Minister Jan Olszewski with unidentified reporters in Warsaw on 17 December—recorded]

[Text] [Olszewski] Parliamentary practice in Poland is only just beginning to shape itself. We are its children, its children [word indistinct]. If at the start of this practice, we accept the principle that Parliament is to be deprived of influence in the factual composition of the government and its program, then indeed we would have to deal with, well, not even [word indistinct], but practically speaking, with the start of the liquidation of Polish parliamentarianism. I hope that things are not yet that bad.

[Reporter] It is being said in the lobbies that the presentation of your resignation might be a tactical move. Is this really so, that if it were not accepted, your position in relation to the Belvedere Palace would be strengthened?

[Olszewski] I must sincerely admit to you that, in undertaking this step, I quite frankly did not consider that. In any case, this is a step that allows me to look at the current situation with a calmer conscience.

[Reporter] In your view, Mr. Prime Minister, who is now capable of creating a government, and in what coalition? And a second question—how, in your opinion, will the president behave in this situation?

[Olszewski] I do not know the position of the president on this matter. From my point of view as a politician, this is very difficult situation. And we will, if such a task has been given by someone to someone else, then I must sincerely admit that it would be a very complicated affair to find such a base, a stable, permanent political base after these last statements, especially by the Liberal Democratic Congress, which seems to be a mobile component of all the coalitions, possible coalitions in the Polish Parliament, and is such a component that it appears to be a simultaneous guarantee, let us say, of a, nonetheless, relatively very small stability and certainty of activity for all those who form such coalitions [sentence as heard].

Walesa 'Cannot' Reveal New Candidate

LD1712214291 Warsaw TVP Television Network in Polish 1830 GMT 17 Dec 91

[News conference by President Lech Walesa with unidentified reporters at the Parliament building in Warsaw on 17 December—recorded]

[Excerpt] [Reporter] Mr. President, if the Sejm accepts Prime Minister Olszewski's resignation tomorrow, will you possibly name another candidate and, if this does not happen tomorrow, then when will that happen?

[Walesa] My whole dilemma lies in what I already know but cannot tell you. Can you understand? I cannot tell you because, if I do, then they will say again: Yes, he was right. I cannot do this. I can make a detailed note of what will happen on paper, and I will give it to you so that I do not have to say what will happen.

[Reporter] But do you have such a candidate?

[Walesa] Dear sir, you are suggesting my reply. I cannot give an answer to this question. We have the Sejm; let us not offend it. We have democracy; let us not [word indistinct]. The result has been known for some time, because there is logic, because the Poles are wise, as are

the parliamentarians. I will write it on a piece of paper, I'll give it to you, and you will see whether it will happen or not. [sentence as heard]

[TV Correspondent Tomasz Lis] The president said that he had not obstructed Prime Minister Jan Olszewski in the formation of the government. He added that he would not obstruct any other prime minister, any other government, because such behavior would contradict the principles of democracy. At the moment, we do not know much. We will certainly know more tomorrow after the ballot on the prime minister's motion asking for resignation. [passage omitted]

KPN Intends to Form New Coalition

LD1712184591 Warsaw PAP in English 1659 GMT 17 Dec 91

[Text] Warsaw, Dec. 17—The Confederation for Independent Poland (KPN) intends to form a new coalition composed of the centre-right groupings "although it cannot be excluded that it will focus on the peasant movement" the KPN leaders said at a press conference here Tuesday.

With respect to the future coalition, the KPN leaders refused to disclose with whom the talks were being held or would be held saying they were not authorized to reveal details. Leszek Moczulski did not exclude Jan Olszewski as a candidate for the new coalition prime minister.

"It is formally impossible that the president could appoint himself as a candidate for the prime minister's post. The rules of democracy make impossible the combining of such important functions" said Leszek Moczulski.

Peasant Solidarity Opposes Resignation

LD1812135891 Warsaw PAP in English 1114 GMT 18 Dec 91

[Text] Warsaw, Dec.18—The parliamentary floor group of the Polish Peasant Party "Solidarity" declared on Wednesday that it was going to vote against Prime Minister Jan Olszewski's resignation.

After the caucus' meeting, its leader Ireneusz Niewiarowski said that Olszewski's resignation is premature and that he should continue the mission of creating a government.

"There is still a chance that a government will be formed and it should not be wasted", he opined.

According to Niewiarowski the present difficult situation will induce the parties outside the coalition to reconsider their approach to it.

"We also hope the president will help form the government which will facilitate a stabilization of the situation in the country", said Niewiarowski.

Balcerowicz To Continue as Acting Prime Minister

LD1712225491 Warsaw Radio Warszawa Network in Polish 2200 GMT 17 Dec 91

[Text] Deputy Prime Minister Leszek Balcerowicz will continue to direct the work of the Council of Ministers, even if the Sejm accepts the resignation of Prime Minister Jan Olszewski. Jacek Kozlowski, director of the Government Press Bureau, reported this to journalists today and added that Prime Minister Olszewski gave Leszek Balcerowicz such powers on the basis of his own prerogatives and, furthermore, giving him an unspecified period of time until the appointment of a new cabinet.

Sejm Rejects Walesa's National Bank Nominee

LD1812104791 Warsaw Radio Warszawa Network in Polish 1003 GMT 18 Dec 91

[Statement by Sejm Speaker Wieslaw Chrzanowski at the second day of the Sejm session in Warsaw—live]

[Excerpts] The Sejm Presidium submits the following resolution to be voted on by the Sejm:

The Sejm of the Polish Republic, on the basis or Article 49, Paragraph 1 of the Law on the Polish National Bank, at the resolution of the president of the Polish Republic, submitted in accordance with Article (?32F), paragraph 1, Item (?7) of the Constitution, appoints Hanna Gronkiewicz-Waltz to the post of chairwoman of the Polish National Bank. [passage omitted]

I am announcing the results of the vote: There are 406 deputies taking part in the vote; the absolute majority is 204 votes. There were 161 deputies voting for the resolution; 151 deputies voted against it, and 94 deputies abstained. I state that the Sejm has not appointed Mrs. Hanna Gronkiewicz-Waltz to the post of chairwoman of the Polish National Bank.

Baranowski Stresses Economics Over Politics

PM1812111391 Lodz GLOS PORANNY in Polish 5 Dec 91 pp 3, 6

[Interview with Senator Janusz Baranowski by correspondent Henryk Sroczynski; place and date not given]

[Excerpt] [Sroczynski] What are your impressions of the first Senate debates?

[Baranowski] They are positive. I very much like what I see taking place here! It is most interesting to see seasoned politicians in action...and I am even sometimes pleased when some strategy of theirs fails.

[Sroczynski] How, in your opinion, should the present Senate differ from the previous one?

[Baranowski] Our senior Senate speaker, Jan Zamoyski, defined that difference in a marvelous speech. The gist of

it could be summarized as follows: The Senate should stand above all political divisions. Naturally, economic considerations should take precedence here. When the country can attain good economic prosperity, the people will feel secure.

[Sroczynski] What do you personally intend to contribute to the Senate debates?

[Baranowski] I will contribute a philosophy that ties in with my own credo: the supremacy of economic over political considerations. I believe that we need a clearly defined economic legislation as much as a clearly defined civil legislation. This should guarantee that private property enjoy the same protection as, say, the property of the State Treasury. The Sejm has passed a great many legislative acts, some of which are at odds with one another. This has resulted in more confusion than advantage. All this legislation has to be corrected now.

[Sroczynski] The Sejm and the Senate have not always shared the same outlook on these matters....

[Baranowski] In the past parliamentary term of office, postcommunist forces reached for the tactic of the so-called constitutional stalemate. There were occasions when they deliberately brought about a situation in which it was impossible to either reach the two-thirds of votes required to reject an amendment proposed by the Senate or to command the direct majority needed to approve it. Consequently, the bill would fail. However, the present Constitution contains no provision setting out the procedure in the case of a constitutional stalemate. It was the communists who invented and developed these strange, if highly convenient rules. All in all, I should like to stress here that I believe that each deputy or senator should declare his position for or against any given bill under discussion. If they cannot take a firm stand one way or another, they should not be in Parliament.

[Sroczynski] What is your opinion on the question of privatization?

[Baranowski] I am in favor of introducing privatization, primarily from the bottom up. In my view, we should first enfranchise those who were robbed of their assets during the communist regime. We seem to have inherited some very strange forms of ownership from the previous system. Take, for example, the system of cooperative housing ownership. I believe that you can either own your home or rent it within a cooperative scheme, but not combine the two forms. Moreover, people who were allocated plots in hereditary tenure for the construction of family homes were also robbed of their money. Sometimes a single installment in the tenure rights repayment scheme was higher than the value of the entire plot. Today, all those who were robbed in this way should be told: You now fully own this property!

[Sroczynski] Which issues do you consider to be the most important for the country?

[Baranowski] The crucial problems are the need to stem the economic regression and to secure jobs for the people. Today it is difficult to talk of fair wages for all; nonetheless, each family should be guaranteed a necessary minimum income. Eventually we can be sure that the prospects of higher wages will improve. There was once a time when you would describe a person in the United States as poor because he had no car. I would like one day to hear people in Poland describe a person as poor because he cannot find a job—not because there are no jobs, but because he does not know how to work well.

[Sroczynski] What future prospects do you see for Lodz?

[Baranowski] If we succeed in breaking the supremacy of politics over economics, and if we manage to set up reasonable cooperation with post-Soviet countries, the economy of the Lodz region could be restored to life in a very short time. If we can enter the markets in those countries, it would mean very good perspectives for local light industry, including the textile industry.

[Sroczynski] Do you believe that the independent senators' caucus, to which you belong, will be able to resist the pressure from political parties in the Senate?

[Baranowski] I regret the fact that political caucuses are being formed in the Senate. We are facing the danger of political conflict being imported into the upper house's forum in this way. But...maybe it should be so? On the other hand, I am glad that we have formed a Senate caucus, grouping those senators who ran as independent candidates in the election, without looking to various political parties for support. At present, our "club" has 11 members and its hallmark is a great freedom of political opinion and religious belief. On the other hand, our group is very cohesive in its stated economic objectives and targets. We set it up so that we could present our programs and our electorate's demands and recommendations to the Senate convention. True, there are some who have tried to use our caucus to pursue their own political games. There is nothing surprising in this: Things like that have always happened and always will happen. However, we must try to evaluate it all according to our own conscience and to act in agreement with it. [passage omitted]

Iliescu, Stolojan Meet Armenian Foreign Minister

AU1712155291 Bucharest ROMPRES in English 1457 GMT 17 Dec 91

[Text] Bucharest ROMPRES 17/12/1991—On Tuesday, December 17 President Ion Iliescu received Raffi Ovannesyan, minister of foreign affairs of the Republic of Armenia. As the latter stated to the press, the talks he held with Romania's president focused on the "historic event—Romania's recognition of Armenia's independence." The Armenian foreign affairs minister also stated that he saw the future of his country's relations with Romania with confidence, and he expressed his hope that the establishment and development of the diplomatic relations would contribute to the expansion of the ties between Romania and Armenia on multiple planes.

On Tuesday, December 16, Mr. Theodor Stolojan, Romania's prime minister received Raffi Ovannesyan, minister of foreign affairs of the Republic of Armenia, now on a visit to Romania.

The interview was attended by Adrian Nastase, Romania's minister of foreign affairs.

The collocutors examined the current situation and the perspectives of the relations between the two countries, the guest expressing on the occasion the Armenian people's gratitude for the fact that Romania was the first country to recognise Armenia's independence. The Romanian premier expressed his hope that the relations between the two countries would expand in the future on multiple planes and in the mutual interest, a first step to this end being the establishment of diplomatic relations.

In a statement made to the press after his interview with the prime minister, the Armenian foreign minister emphasised inter alia that the establishment of diplomatic relations with Romania represented a historic moment for his country, this being a first and important step for Armenia's joining the great family of the world states.

Leaders Hold News Conference

AU1812104091 Bucharest ROMPRES in English 0920 GMT 18 Dec 91

[Text] Bucharest ROMPRES 18/12/1991—"For the Republic of Armenia, today is a historical day: After 71 years of Soviet domination Armenia has returned to the international community as an equal member in the family of nations," said Armenia's Foreign Minister Raffi Ovannesyan at the press conference that followed the talks he had with his Romanian counterpart Adrian Nastase.

Armenia, the foreign minister further explained, enjoyed its independence for a short interval, from 1918 to 1920, until incorporated in the Soviet Union. Over that brief span, many countries had recognised Armenia and established diplomatic relations with it. After 71 years, Armenia has now regained its identity among the international community and we are proud that Romania was the first East-European, and, generally, the first country that recognised Armenia and established diplomatic relations with it. Romania therefore, said the minister, has a special importance for the Armenian people, because we have always had very close historic and cultural relations and the time has come that the two countries give a pragmatic boost to their diplomatic, political, economic, commercial and cultural relations through the accords we have signed today, one that settle the resumption of diplomatic ties and the other covering the cooperation between the two ministries.

We shall try to encourage our relations not only on a general plane but in a practical way, through partnership, starting from the exchange of ambassadors. Romania distinguishes itself as one of the countries that understood the developments in the former Soviet Union. Many countries, including Western ones, failed to understand what was happening in Armenia and, generally, in the Soviet Union. Romania grasped earlier that the transfer of authority from the central power to the republics was an irreversible process and dared the step to recognise Armenia and other former Soviet Republics."

In his turn, Romania's Foreign Minister Adrian Nastase said: "We have marked today a historical moment of the relations between Romania and the Republic of Armenia. It is obvious that the documents signed today are a clear proof of Romania's wise approach of the new contemporary tendencies. During the talks we have identified a multitude of possibilities to develop the economic relations between our countries even if they are not so close geographically, but we can be partners in many fields of joint interest.

We have found a generous space for cooperation and I believe that the agreement of cooperation between our two ministries is an important step in this respect. We have also discussed the possibility of reaching a general treaty on the relations between Romania and Armenia and we mentioned opportunities for important economic activities.

We tackled of course the developments in the former Soviet Union and in other areas of our continent. I am very glad that we could complement the acknowledgement of Armenia's independence with a series of practical measures, starting, in the first place, with the establishment of diplomatic relations, and with detecting the possibilities of opening channels of communication between the two countries, the first of them being the cooperation accord between the two countries' Foreign Ministries."

Nastase Discusses USSR, Moldovan Issues

PM1812103591 Lisbon DIARIO DE NOTICIAS in Portuguese 7 Dec 91 p 13

[Interview with Foreign Minister Adrian Nastase by Ana Gloria Lucas; place and date not given]

[Excerpt] [passage omitted]

Human Rights "Virus"

[Lucas] Turning to the international situation, how does Romania view the current disintegration of the USSR?

[Nastase] The whole of Eastern Europe has been shaken over the past few years. The Helsinki Final Act introduced a virus—human rights—into the East European system, which caused an implosion in that society; but it is easier to destroy a system than to create another. Now there is a period of rebuilding, but when it was destroyed, all the problems and all the difficulties were also found—a Pandora's box was opened. In the USSR, there are several centers of discontent that are now quite clear. An attempt was made to rebuild the system from the top and, following the August coup, to rebuild it from the bottom, with the republics' independence. It is difficult to strike a balance. There are republics that want real independence—a separation from the former USSR—there are others that have some interest in staying within the Union, and there is Russia, which must clarify its stance with respect to the Union.

[Lucas] The Soviet press has drawn attention to the fact that what will remain of the USSR could be an Asian and predominantly Muslim country. In what way could this change the existing balances?

[Nastase] Before the problems began there, the USSR was viewed as an element of balance in Europe. The essential element in the configuration is Russia, which is European and Asian at the same time. If the new configuration is based on Russia, it will remain Asian and European. If it does not include it, it will not represent much, either in Europe or in Asia.

[Lucas] What about Moldova? After opting for independence, will it become Romanian again?

[Nastase] Moldova is Romanian. The territory was annexed by the Soviets after the Molotov-Ribbentrop agreement, as happened with the Baltic countries. The Soviets created the Republic of Moldova and also changed the population, of whom today two-thirds are Romanians and one-third are Russians, Ukrainians, and other minorities. If the historical aspects are taken into account, things are very clear, but the present is more complex: The population has changed, a certain kind of education has been conducted for half a century, and writing in Latin characters has only been resumed within the past few years. The solution adopted by Moldova's population has been to follow the other republics' model and to exercise the right to self-determination. We immediately recognized that independence, which is an appropriate solution for the present.

[Lucas] If the people wish to join Romania, will Bucharest be prepared to accept this?

[Nastase] The door cannot be closed to the prodigal son, but matters are complicated. There is a problem of separatism in Moldova and, while its minorities accept independence easily, they will be unlikely to accept integration into Romania. Moreover, it would be difficult to add Moldova's minorities to Romania's, which are already 10 percent of the population.

[Lucas] Does Romania currently have problems with its minorities?

[Nastase] We have tried to create a democratic framework for the minorities, as we have for the majority, for that matter. One of the essential aspects of the Romanian revolution was respect for human rights, and the new Constitution clearly reflects that concern. Each of the 15 minorities has its representatives in Parliament.

[Lucas] How are relations with Portugal?

[Nastase] The state of bilateral relations is rather weak. This is perhaps partly owing to the Portuguese Government's other priorities over the past few years, and also to our own authorities; but we have not so far succeeded in building a relationship of closer contact and real economic cooperation. For instance, Romania is the only East European country that has no Portuguese embassy, since Portugal decided to close its embassy before the Romanian revolution. It was a way to tell the former regime that its policy was not normal. I have already had contacts with Minister Joao de Deus Pinheiro and learned that there is a very clear intention to reopen the embassy. We hope that this will happen, since it is very important at the bilateral level, but also at the level of the contacts with the East European countries that Portugal will have as EC president.

EBRD Approves Two 'Substantial' Loans

AU1712213091 Bucharest ROMPRES in English 1858 GMT 17 Dec 91

[Text] London ROMPRES, 17/12/1991—The Administration Board of the European Bank for Reconstruction and Development (EBRD) approved today, December 17, two substantial loans for Romania.

The first one, 142 million ECUs (183 million U.S. dollars) has as direct end-user Rom-Telecom [Romanian Telecommunications] national company.

The beneficiary of the second loan (30 million U.S. dollars) is the joint venture recently set up by the Heavy Equipment Manufacturing Enterprise of Bucharest (IMGB) and the great French concern GEC-Alsthom for the reequipment and modernization of the Romanian production of steam turbines and electric generators needed to rehabilitate the production capacities of RENEL [Romanian Electric Power Network] and for export.

Iliescu Says Roman Closed Doors to Dialogue

AU1712202391 Bucharest AZI in Romanian 14 Dec 91 p 3

[Interview with President Ion Iliescu by Corina Cretu and Rodica Ciobanu on 13 December in Bucharest: "I Bear No Grudges"]

[Text] Yesterday, Romania's President Ion Iliescu and National Salvation Front [FSN] leader Petre Roman happened to be in the same place—the Parliament Hall—on the occasion of the approval of Romania's Constitution. However, since the main topic of the day is the Iliescu-Roman conflict, we begged the president to answer a few questions:

[AZI] Mr. President, as you know, Mr. Roman said that you violated the Constitution by speaking your mind about developments within the Front and its national leader's actions and statements. Do you agree with that?

[Iliescu] As president of the country, I am obliged to answer various requests and to talk, in various forms, with the representatives of all political groupings. How can I refuse a request from the Front's deputies and senators? As a matter of fact, some time ago I was asked to participate in a clarifying discussion on this subject in the presence of the Front's leader. On several occasions, I asked the Front's representatives to come to me, together with their leader, for such a discussion, but I was repeatedly turned down.

The open letter I received from him last night confirms that he no longer considers such a clarifying discussion useful—he turned down my request of a little over a week ago, when I suggested that we meet to examine, as responsible politicians, the current political problems facing the country and the FSN—and that he no longer has anything to talk to me about. This means that he chose the path of open struggle; I do not know what he is trying to accomplish by that and why, and when he discovered these basic contradictions between us. It is a pity, and I am quite sorry, but I believe that his position, orientation, and thinking have removed him from what bound us together over a period of time.

[AZI] As of now, after your latest initiatives, do you consider that all doors have been shut, so to say, on a reconciliation?

[Iliescu] He has closed all the doors to dialogue.

[AZI] And you?

[Iliescu] I am still open to suggestions and I bear no grudge.

[AZI] How do you explain the fact that Mr. Roman associates the interview you granted to Associated Press Agency with a communique of the Romanian Intelligence Service [SRI]?

[Iliescu] There is no connection between the two. As a matter of fact, the SRI's reply referred to an accusation leveled against this organization by Mr. Roman in Cluj, where he claimed that the SRI is manipulating files. Maybe the SRI's answer was rather awkward, and I believe that it should not have included assessments of a political nature. That answer should have limited itself to the problem as such, to the fate of the files, and to Mr. Roman's accusation.

Roman Statement on Iliescu, SRI Interference

AU1712184591 Bucharest AZI in Romanian 14 Dec 91 pp 1, 3

[Statement by Petre Roman, national leader of the National Salvation Front, made on Romanian Television in Bucharest on 12 December: "Nobody Should Bank on Our Being Cowardly"]

[Text] Last night, Senator Vasile Vacaru issued a statement on behalf of a group of National Salvation Front [FSN] senators in the form of an open letter to the Executive Bureau, whose contents, however, were not fully known and approved by all the senators, by all those who signed it. This letter follows President Iliescu's televised interview and the Romanian Intelligence Service's [SRI] communique published by ROMANIA LIBERA, all of which dealt with the activity of the FSN leadership and its bodies—which were democratically elected at the National Convention of last March—and particularly with my activity as FSN leader.

Though silence has only just returned to the polling stations where Romania's new Constitution was sanctioned, I am already obliged to regretfully note that the president, by meddling in the internal affairs of a political party, has broken that silence. If violation of a democratic principle is a serious thing, violation of a constitutional principle is unacceptable. Anyone listening to the avalanche of invented accusations leveled at me in the aforementioned statements realizes that they follow the classical pattern of fabricating people's enemies, that is of framing those who must be found guilty at all costs. Is that what we should go back to?

Personally, I am convinced that this is not how political struggles and polemics should be conducted; this is not the way to discuss different viewpoints, which naturally should exist, and to confront each other. However, it is certain that this is how politicians, a political party, and political aspirations used to be liquidated in the past. What I find quite serious is that the same kind of accusations are brought against us by the president and the SRI leadership simultaneously. The SRI's interference in Romania's political life is, from a theoretical viewpoint, a serious violation of constitutional principles and, in practical terms, it strengthens the suspicion that the Securitate is operating again in a new form. If this is true, then not only our political life will have to suffer, but also our daily life. This has been proved by the history of recent decades.

I consider it unnatural that such important state institutions should forget about our true needs, particularly at this time, when all of us are faced with great material difficulties and obvious hardships, and when the country's people are experiencing the burdens of a tough reality. True political action and efficiency means finding concrete solutions to concrete problems. I do not believe that all this, that is the obligation of finding solutions for the difficult problems facing us, can be replaced by personal attacks, sabotage, or the attempt to

change the course and the political options of a party. On the contrary, what is expected from a responsible political party and from those in whom the electorate have placed their trust is that they find solutions and hopes for everybody, thus giving everyone the feeling of belonging to the same community.

It is obvious that various party options, or dissatisfaction with various party leaders, will take their natural course in accordance with a party's statutes. Outside this statutory and democratic course, there can be no viable solution that will receive the endorsement of our supporters. This does not mean that the FSN reacts to pressure, but rather that it is a democratic party. What is more, nobody should bank on our being cowardly. No pressure, threat, or defamation campaign can make us give up our political convictions.

What we have built together remains a cornerstone: A modern and democratic Constitution and an open legislature—which have opened up and laid the foundation for political and economic reform—and finally, maybe the most important thing, hope for our fellow men.

Thank you.

'Rumors' Say Nastase To Succeed Roman in FSN

AU1712190391 Bucharest CUVINTUL in Romanian No. 50 Dec 91 p 2

[Tudorel Urian article: "The Romanian Intelligence Service Pulls the Strings"]

[Excerpts] The closer we get to the local and general elections, the more our political activity resembles a scale model of what is currently happening in Europe. Everybody on our continent is talking of integration, common structures, and unions, but, in actual fact, the extreme right, on the one hand, and protectionist measures, on the other, lead to an even more fixed delineation of the fronts. In our country, everybody is talking of blocs, alliances, conventions, common lists, but when it comes to really important decisions it seems that differences in opinions and decisive breaches are inevitable.

What is the explanation for the opposition's split into small groups of interest when the Civic Alliance's motto—"We will be able to succeed only together"—seemed to be embraced by all opposition parties? The 8 December referendum was the first serious sign of alarm in connection with the cohesion of the opposition. It seems that when facing a major political event, the opposition parties are seized by panic; they try to gain a most honorable image and for this purpose they betray former alliances. Thus, on Sunday, 8 December, the Civic Alliance Party members were completely free to participate or not participate in the referendum, while the National Peasant Christian Democratic Party [PNT-cd] boycotted it, and the National Liberal Party supported it, at least from an organizational point of view. If to this we add the fact that the reasons that made the Democratic Association of Hungarians in Romania [UDMR] oppose the referendum were completely different from those of the PNT-cd, which in turn have nothing in common with those of the Social Democratic Party, then we become better aware of the proportions of their differences.

The differences in the programs of the political formations, whose single common feature is their opposition against the FSN, are so great that it is difficult to imagine that, as the local and general elections are approaching, they will not lead to the erosion of what today is still termed the Convention for Democracy. This is especially since the current executive power has a very effective distortion and disinformation system at hand. [passage omitted]

It is known that, not long ago, the ruling party faced a devastating dismemberment. The scandals at the top between President Iliescu and former Prime Minister Petre Roman, on the one hand, and those between parliamentarians and the government belonging to the same party, on the other, culminated in September with the departure of Mr. Petre Roman from his position of prime minister, thus demonstrating the precarious situation of the Front at that time. As for Petre Roman's demise, the dispute between Roman and Virgil Magureanu [head of Romanian Intelligence Service—SRI] mattered infinitely more than the Roman-Iliescu or the Roman-Barladeanu conflict!

What is interesting is not so much the fact that Petre Roman was removed from his position of prime minister, but the fact that after this decision, the unity of a political group that was heterogeneous from the outset was preserved. Maintaining Petre Roman and the reformers in the Front was—let's face it—a master stroke, especially since, at this time, his replacement would not even impress the Front's electorate. Especially when the replacement's name is, as rumors insistently have it, Adrian Nastase.

FSN Deputy Concerned Over Party Conflict

AU1612214591 Bucharest ROMPRES in English 2011 GMT 16 Dec 91

[Text] Bucharest, ROMPRES, 16/12/1991—Marian Enache, leader of the National Salvation Front [FSN] group in the Chamber of Deputies, read on the Romanian television in the evening of December 16 a statement-appeal expressing concern over the danger of the party's scission following "sterile inner conflicts and shows of unjustified ambition."

He announced the creation of an initiative group within the FSN to preserve the unity of the party, a group which intends to work in three directions: to focus the preoccupations of the FSN on the defining and settlement of the major problems facing the country; to maintain the unity of the FSN on the basis of a joint action pursuing the country's democratization and the passage to the market economy; to improve the efficiency of the FSN executive leadership.

The initiative group asks that the extraordinary convention of the FSN be called in January 1992 to clarify the situation within the party, to elaborate the platform for the local elections.

Stolojan on Reform, Exchange Rate Consolidation

92BA0210A Bucharest TRIBUNA ECONOMICA in Romanian 22 Nov 91 pp 2-4

[Interview with Prime Minister Theodor Stolojan by Bogdan Padure, Cristian Popescu-Bogdanesti, and Valentin Negoita; place and date not given: "The Prices-Wages Correlation and Economic Stability"]

[Text] Recently, Romanian Prime Minister Theodor Stolojan received a team from TRIBUNA ECONOMICA comprised of Chief Editor Bogdan Padure, Deputy Chief Editor Cristian Popescu-Bogdanesti, and Section Chief Valentin Negoita, to whom he gave an exclusive interview. The discussion covered a wide range of topics, including particularly interesting and topical issues such as the economic aspects of the current stage of the reform, the impact of the exchange rate consolidation on enterprises, means of optimizing the relationship between prices and wages, and specific measures to reduce energy-intensive branches of the national economy.

[TRIBUNA ECONOMICA] How would you describe the current situation of the Romanian economy, and what are, in brief, the main economic lines along which you plan to continue the reform?

[Stolojan] The economic situation is indicated by the statistical reports, namely by the fact that the process of production decline has not stopped. Unfortunately, this production slump was amplified by the drop in exports to former CEMA areas and by the beginning of the restructuring, which in fact affected both exports to and imports from the former socialist countries and the developing countries. For example, now nobody forces any enterprise to export to a given country without knowing how and when the money will be recovered. Such factors have had a clear impact on production activities in the country, not to mention this entire slow-down in the economy: Saturdays off, reduced working schedules from the viewpoint of number of hours, lack of discipline, and other similar factors that have greatly curtailed what is known as productivity in the economy. So, aside from these issues, which inherently lead to a slump in production, it is difficult to tell how far this decline will continue. Both the Czechs and the Poles are complaining of the same thing. No one can tell how far this production decline will go before we will experience even a modicum of production stability, and after that a certain economic growth.

Aside from these factors, now there is also the matter of the acute energy crisis, which this time was clearly expected to end up in a production collapse. This was not a matter of a production decline, but of a collapse. And the problem was not a question of weeks, but days. So that was the difference. We were, and continue to be, in the midst of a production decline caused by both objective and subjective factors, but the subjective factors have become objective in the context created in our country after December. Of course, no one wants to work on Saturday. We had previously worked too many Saturdays and too many Sundays so, in that context, this became an objective matter. Perhaps in the end experience and hardships will help us find a balance between leisure and a working schedule suited to the strength of this economy.

This acute energy crisis was leading to the collapse of production because a spiraling effect was expected. What was the question in this kind of emergency? Whether to take actions impossible to explain in a market economy, or to try to find a solution that would propel us farther toward a market economy, while also taking care of our problem. There was only one such solution. So, instead of proceeding to literally confiscate the hard currency—as people were talking—I opted for a solution that opens up an avenue ahead of us, albeit a painful one. But at least it does open up an avenue, and it does not completely and irretrievably bury our chances for a market economy; I think anyone must have done the same, because we cannot passively watch the energy system collapse, followed by the collapse of production.

As the prime minister, I must act here and now and devise a solution. I had to use those currency resources anyway. How was I to use them? In two ways: either by following a method that the past has totally discredited—which I would have had to use if I had no other solution—or by opting for this solution, which clearly paves the way for a market economy in Romania, but which will add more pain to the process of transition; however, this pain will have to be faced sooner or later.

So this is the state of the economy at this time, to which we must add the specter of seeing any stability slip away as the correlation between prices and wages slips away and an inflation cycle, or spiraling inflation, is triggered. Parliament has talked a lot. There has generally been a lot of discussion on whether we have reserves and whether a stable exchange rate can be maintained. Mr. Isarescu stressed the idea that we do have such means, but what I omitted—and perhaps I should have spoken again after he was finished because it was not sufficiently clear—was the following aspect: A stable exchange rate hinges on two very clear factors! One is the capability of the economy to generate currency resources; if there is no stability, we cannot meet payments. On the other hand, the specter of inflation must be controlled—evidently, a domestic inflation at domestic prices will occur at a rate totally different from that of a dollar inflation.

Thus, as time passes, the relation between the leu and the dollar becomes eroded because of an inflation higher than international levels, and, consequently, sooner or later, the exchange rate will drop of its own, without any need for an official devaluation, because it just won't fit

the reality any longer. Domestic prices get out of hand, while international prices follow the rate of inflation, which is kept under control. In fact, you've seen the struggle that goes on in the developed countries—consequently, the specter of inflation, with which we are familiar, and this correlation between wages and prices must be controlled. Of course, talking about such issues in theory is easy; what is more difficult is talking with the trade unions, which look at prices from the viewpoint of protection and wages, which is an entirely different matter, one that requires a compromise.

[TRIBUNA ECONOMICA] In view of this issue, what will be the main economic line that you plan to follow from now on?

[Stolojan] What can we practically do from now on? First of all, we have stabilized the energy problem somewhat; nature has also lent a hand, so to speak—the cold has abated a little—we have gained time, one week, and that is good. At the same time, you've noticed that some sources of foreign financial aid have begun to unfreeze, especially the Group of 24, although I personally have become more cautious. In what way? It's not that I don't have faith in all these signals. I must have faith in them. I must have faith; otherwise, I'd see everything in black. But I am somewhat leery of a discriminatory treatment of our country compared to other countries in the matter of foreign financing. There's always some new condition for Romania, some new problem that must be resolved in the meantime, and here we are, already in November. But you see, here, too, every explanation has its rationale. At some point, we drew the line and noted that the foreign financing program that we had agreed upon in discussions with the IMF and that the international finance community could have supported on a grander scale—as, in fact, it encouraged us to hope and as it did for other countries—in the end did not materialize in time. Of course, there have been events; no one denies that. But these are the facts concerning Romania at this point, and we hope that, as you have seen, the signs are now good.

As I said, the situation, namely the acute energy crisis, has relaxed and is about to further relax. Secondly, we have in fact repaved the way for the reform. That is clear to everyone. Once again we have shown the entire world that Romania is determined to continue along the path of economic reform and not any other. I don't know what other proofs we could offer the international world of finance that Romania is determined to follow the path of reform?

These, of course, are the developments in the, let's say, short run. At the same time, however, this package of measures taken will in fact govern the price evolution. It will also trigger the due protection measures. As everyone knows and as we have discussed, we must make certain corrections in the existing system in order to be able to accommodate some of the requirements of the people and the trade unions, except that these corrections must not jeopardize the economic stability or plunge us into hyperinflation by applying pressure on prices. So, I tell you, all these things put together are enough for a government tasked with what this government is tasked and that is discharging its duties responsibly.

Once again, I repeat: If I did not feel responsible for the work I must carry out today, I certainly could have found the means to stall and to survive from one day to the next because, at present, the general interest of the society and of the political parties is that the country be able to hold free local and general elections—which I don't see as possible amid a situation of social tension. Any of the above mentioned hardships can be used in the electoral campaign, and I don't doubt they will be used, but it is in everyone's interest to ensure the basic conditions for these elections to take place satisfactorily. Considering this very clear interest of the society and the political parties, I could have adopted the following attitude: For the duration of my term, I will take care of the political objectives, and I will run the economy so as to ensure social peace, and never mind that what goes up must come down. And it certainly does; it takes about two to three months, while the process moves on and the problems reappear in another two to three months, except greater. But, knowing the consequences, I could not have adopted such a viewpoint, generally speaking, wherever I worked. Once I started a job, I strove to do it as well and as responsibly as possible.

[TRIBUNA ECONOMICA] What will be the impact of the exchange rate consolidation on enterprises?

[Stolojan] The extraordinary impact of the exchange rate consolidation is that it will provide everyone with a measuring stick. I am referring to economic calculations and decisions regarding both investments and production. You see, we had great trouble talking. Every time we wanted to analyze an enterprise or a company, to find out why it worked or why it didn't work, we would become bogged down. Already the talks we had about prices showed me that I was right. In other words, pressuring the government into getting involved and into setting unreal prices is one of the natural reactions of businesses, passed on through departments and ministries, who want someone to sanction very high prices, far above the normal.

Ideally, once the exchange rates are consolidated, each unit will operate in conditions that can be measured against something—against the best there is! For example, ideally, each unit should be able to secure raw materials and other inputs at the international prices calculated at one rate at the most, and should be requested to ensure that the output does not exceed the international prices translated at a certain exchange rate. That way one can figure out where one stands on the competition scale, and if one is not competitive, to find out why not. What are the reasons, the real ones this time? Because until now people said: My input comes in at too high a price, or the input is too small and it only appears profitable, while in reality it isn't. That, however, cannot be achieved. Because the economy is what it

is and no one can change it from one day to the next, from one month to the next, or from one year to the next in terms of material structures.

What is the problem in specific terms? Obviously, foreign raw materials come in at foreign prices. What do we need to do here with the raw materials? If I sell them at the existing prices, I will further corrupt all the domestic processes. Therefore, the only logical conclusion was that all the raw materials in the country should not be sold higher than the foreign prices translated at a rate of 180 lei. If the enterprises work at lower prices and want to deliver at lower prices, let them. But certainly not at higher prices.

In this way the main branches—the metal industry, electrical power, or chemical industry—will get the prices at foreign inputs [as published], and should deliver outputs within the limit of foreign prices. Here begins the first trouble of the national economy, because our metal industry uses outdated technologies, lacks discipline, etc., its export prices are far higher than the international prices. Of course, we could stop at some point and subsidize a certain price. But that won't give us anything. Who ends up paying for subsidies in the extractive industries? Those at the end of the chain should pay, but that's not how things work.

Even if they can negotiate higher prices than the international ones—which will certainly happen because both our chemical and metal industries must live—this time it's very clear. The metal industry has secure sources of raw materials, and until it comes out with products at prices no higher than the international prices, something is not right in the branch, and it can no longer lay the blame on someone else. That is something extraordinary. Because already we have obtained a parameter by which to evaluate the metallurgical sector.

Of course, so far, such results cannot be obtained overnight, nor from one year to the next. That means that the society will have to pay for inefficiency by its living standard. Instead of having to pay 700,000 lei for a Dacia, we will have to pay over 1 million, because Dacia will be buying iron and plastic at a higher price, because that will be the price exacted by the chemical industry, which otherwise couldn't survive. So we will continue to drag like that for another few good years, but this time everyone, both those in charge of the future of the oil and chemical industry and those in charge of the future of the metal industry, will make their calculations on a different basis. This year and next year they may still force the economic enterprises to buy their products at prices higher than the international but, in the end, the latter will find some way to alleviate their frustration. Pressure will thus be created to restructure.

But until then we will have to pay. We will have to pay through the nose. The payment will be in terms of living standards, which will not be any higher than the level of productivity in those branches. And we will pay through the nose for restructuring the economy. No one else will pay for it. We will also pay by unemployment. We can alleviate the payments by taking out foreign loans, but for restructuring. The "tribute" paid by the society stems from two factors: one is the real inefficiency of technologies that need to be restructured, and the other is the fact that the metal, oil, chemical, and other industries must export at international prices. For exports they cannot charge what they charge in the country. So those branches also have to swallow export losses, which they in turn add on to the domestic prices. So the people pay tribute twice: once in general, and a second time because we are compelled not only to export, but even to encourage exports. The more we encourage exports and do export at our present level of efficiency, generated by the existing structures, the greater the hardships in the country. That is not something easily understood. Moreover, the economic restructuring will take more than 10 to 15 years, I would say, and that if we go about it in earnest.

[TRIBUNA ECONOMICA] About what you said before—it may seem elementary to us, but it is very unclear to many and we would like them to hear it from you: Given the situation, does the provision about the prices "frozen" at 30 September for the fourth quarter of this year still hold?

[Stolojan] No, no. The prices were not frozen, the prices were recorded and are changing. Of course, prices are changing, but we are setting a very clear term for negotiating, after which we obligate them to reset them. They must declare and record them. After that, if they want to change the prices, they have to announce them 90 days in advance, because otherwise we'd have a continual bustle, which is not normal. We implemented a measure common in market economies.

[TRIBUNA ECONOMICA] Do you think that the exchange rate consolidation will provide a radical solution to the problem of financially unfreezing the economic units?

[Stolojan] It will permit some unfreezing; as I discussed with Mr. Isarescu, during this period we have to ensure the unfreezing of payments and this unfreezing depends on permitting an infusion of money by converting the currency resources, and on Parliament passing the law on the assumption of the losses of previous years, which is stuck somewhere in the Chamber of Deputies and which we must get going. All these factors together are expected to ensure the unfreezing. Except that without eliminating its real causes, the unfreezing will be back on the agenda in about four to five months.

[TRIBUNA ECONOMICA] To what extent will the exchange rate consolidation encourage export?

[Stolojan] The process is not taking place according to the customary rules. Economic enterprises must normally be encouraged. At 180 lei to the dollar, the exchange rate is higher than the average rate of returns for exports. The second very important aspect is that the National Bank and the other banks are now working on

the problem I pointed out at the very beginning, namely on encouraging those business companies and managements that have valid export contracts with clear terms of recovery of the money, by giving them rapid access to financial and currency resources, not only for exporters, but also for those working for the exporters. They will simply open domestic lines of credit.

The future of this society depends on export, which is needed to stop the downward spiral and begin to move toward economic growth. What does it mean to have access to export? If we will export only on long-term credit, that will impose a new tribute on the society. However, simultaneously with exporting we must secure greater cash revenues and the means to import more. I wouldn't necessarily say technological imports, in the first place, but imports to cover our requirements for energy and consumer goods and—this is the core of the problem—to focus our foreign debt on technological modernization and structural changes. Because if we continue to contract foreign debts, as in the past—we have already contracted 1.4 billion, of which only 40 or 50 million in so-called technological imports—that will be a disaster for this society. We must avoid doing that, contracting foreign debts in order to finance consumption. We must use it to restructure the economy and provide it with potential investments.

[TRIBUNA ECONOMICA] How do you think that the current currency transfer and assumption will stimulate the efficiency of economic activities, and how long will this system last?

[Stolojan] First of all, we generalized the internal convertibility to current operations. But the bank's mission is very delicate in this matter. Why? Because everywhere in the world things don't happen at random in this sector of currency exchanges. What is the mission of the bank? By overseeing the country's overall resources for import and other payments, its mission is to allow the enterprises to bid—within the parameters of these available resources—for currency resources through the exchange rate. That is, to allow the economic enterprises equal access to the existing resources, however many there are. Because if the National Bank should lose control of this correlation, evidently no rate will cover the current balance deficit on current account caused by consumption. And if there is such a deficit, clearly no exchange rate can be balanced except at the cost of collapsing import. Thus, the National Bank, together with the other banks and the government must identify sources for financing a certain foreseeable deficit. In such conditions, we can ensure a stable exchange rate. Because the idea that the exchange rate earnings-payments balance is restored is valid—if we proceeded like in Bulgaria, where the exchange rate is allowed to go to 30 leva or higher—within two weeks the energy imports would be paralyzed, whereas we need to reverse the situation: to stabilize the energy problem somewhat to allow for a triggering of those positive factors that should be triggered by the exchange rate consolidation, and to permit a revitalization of the economy.

[TRIBUNA ECONOMICA] What specific measures are envisaged in the government's program for reducing the intensive use of energy in our national economy?

[Stolojan] Of course, we also plan such measures but, unfortunately, so far not many such measures have been achieved. They were initiated by the previous government, but the results are still very poor. As you know, there exists an Energy Conservation Agency that is working on a program. Ask them what they have been doing till now. We must set in motion some general thinking about this issue.... Of course, such long-term programs must be initiated (the results of which will not become visible within one year or a few months), we must hammer out such programs. That's the direction in which life is pushing, but clearly we must also have a national policy in the area!

[TRIBUNA ECONOMICA] What specific actions do you consider taking to optimize the relationship between prices and wages?

[Stolojan] I was determined to base this process on a certain structure and then to make the necessary corrections after a certain delay in which to have negotiations with the trade unions. At the talks I had with the trade unions, it turned out that that was not the best way of going about the matter at the present stage. In view of their observations, we will not take that decision; we may hold a special government session, because at those talks they made some proposals, we made some other proposels, so we must make some calculations to see what the various options entail. Of course, I hope to be able to come to an understanding with the trade unions because, I repeat, this country needs social peace in order to deal with the immediate objectives: preparations for the elections, preparations for a referendum, and preparations for local general elections.

International

Soviet Consulate Denies Volunteers To Fight

LD1712181791 Belgrade TANJUG in English 1717 GMT 17 Dec 91

[Text] Zagreb, Dec 17 (TANJUG)—The consulate general of the Soviet Union in Zagreb distanced itself today from reports that some 500 Soviet volunteers would take part in operations against the paramilitary formations of the Yugoslav Republic of Croatia.

"A certain Yaroslav Yastrebov intends to organize" the alleged volunteers, the consulate said, adding: "such individuals, who represent no one but themselves, give irresponsible statements in drastic contrast to the official position of the Soviet Union on the political resolution of the Yugoslav crisis."

Moscow citizen Yaroslav Yastrebov, who recently staged a hunger strike outside the Yugoslav Embassy in Moscow to protest against the persecution of the Serbian people in Croatia, is visiting Belgrade as a guest of Serbia's biggest opposition party, the Serbian Renewal Movement (SPO).

The Soviet consulate also dismissed rumours that 120 Soviet pilots were flying for the Yugoslav Air Force, calling them "malicious and irresponsible fabrications."

The consulate said that the "Soviet Union is abiding strictly by a policy of the earliest possible establishment of a cease-fire," and that "there is no question of any Soviet citizens being sent to Croatia to support one of the warring sides."

Macedonia's Tupurkovski States Recognition Stance

AU1712124791 Skopje Radio Macedonia Network in Macedonian 2100 GMT 16 Dec 91

[Text] Dr. Vasil Tupurkovski arrived in Brussels today, where he held several meetings with foreign ministers of EC countries. Tupurkovski held talks with Hans Van den Broek, chairman of the EC Council of Ministers, with Italian Foreign Minister De Michelis, German Foreign Minister Genscher, and EC Commission Chairman Jacques Delors.

At these meetings, Tupurkovski expressed the Macedonian position concerning the question of recognition of the Yugoslav republics. The stand is based on the fact that the recognition can be carried out only within the framework of The Hague Conference on Yugoslavia and only as a package, that is, all republics that wish to be recognized should be recognized. This framework also implies the recognition only at the end of the process started by The Hague Conference.

Legal Expert Terms EC Decision 'Aggression'

LD1712101591 Belgrade TANJUG Domestic Service in Serbo-Croatian 0910 GMT 17 Dec 91

[Text] Belgrade, 17 Dec (TANJUG)—The EC decision adopted in Brussels last night to invite all Yugoslav republics to declare their wish to become independent states is tantamount to an aggression against Yugoslavia. Dr. Smilja Avramov, professor at Belgrade University and a member of the working bodies of the international conference (on Yugoslavia) in The Hague, said this morning: I know my words are fraught with meaning, but the EC decisions threaten the survival of a sovereign and internationally recognized country—Yugoslavia.

The SFRY Presidency, due to meet today, must, according to Dr. Avramov, urgently send a telegram to the UN and its secretary general asking that the EC be declared an aggressor.

The EC decisions are astonishing and alarming, and represent a flagrant breach of the UN Charter, initiated and signed by, among others, Yugoslavia. According to Dr. Avramov, a prominent and internationally recognized international law expert, the EC stand is without precedent in the history of the modern world and unsustainable under international law. This is a Western representation of a revolution which could have unforseeable consequences, he claims.

Asked by a TANJUG editor if Serbia should "ask the EC to recognize its independence," Dr. Avramov said that Serbia gained recognition at the Berlin congress in 1878. It is a German idea that all six republics of the SFRY be placed on the same level; it is designed to dismantle Yugoslavia and to destory a sovereign, 70-year old country, Dr. Avramov said.

Legal Expert: New Criteria on Recognition Needed

LD1712140891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1152 GMT 17 Dec 91

[Text] Belgrade, 17 Dec (TANJUG)—The idea of establishing criteria for the recognition of new sovereign states is good and should have favorable effects, but its application is complicated, international law expert Dr. Konstantin Obradovic told TANJUG.

As a result of the fact that in Eastern Europe, the USSR, and Yugoslavia various entities wish to become states, disorder is being created in the international community which requires the establishment of certain criteria for the recognition of new states, Dr. Obradovic said.

Therefore criteria drawn up in Brussels, according to him, represent a step forward in the strengthening of international lawfulness. Time however, will show if they are real, because their application is complicated, Dr. Obradovic said.

Dr. Obradovic stressed that the question is how decisions will be made—in the absence of relevant institutions—on whether entities wishing to become states really fulfill the set conditions, for instance, in the domain of protection of human and minorities rights.

Until precise parameters have been established that will be left to the political assessment, but it will be more complicated to extend arbitrary recognition on the basis of such an assessment than the situation was before the Brussels declaration had been adopted, Dr. Obradovic said.

The EC, according to him, is returning to the so-called constitution theory on recognizing states, because in order to be recognized—at least by the EC—it is necessary to have not only the territory, the population and the government, but other conditions must also be fulfilled.

Some special rules of international law are being created which will only be binding for EC members. Members of the Community have the right to establish such rules, but whether they are going to become universal remains to be seen, Dr. Konstantin Obradovic told TANJUG.

Federal

Presidency Issues Announcement on EC Document

LD1712173291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1516 GMT 17 Dec 91

[Text] Belgrade, 17 Dec (TANJUG)—A session of the SFRY Presidency has been held in Belgrade today. The session was chaired by Vice President Branko Kostic, and was attended among others by the president of the SFRY Assembly, the federal secretaries for national defense and internal affairs, and the deputy federal secretary for foreign affairs.

The SFRY Presidency, a statement from the session reveals, was briefed about the views of foreign ministers of the European Community presented in a statement from the 16 December meeting in Brussels.

The SFRY Presidency holds that problems which are currently emerging, and which are relevant to the substantial sovereign rights of nations and of the SFRY state, as an internationally recognized subject, require that constitutive factors in the Yugoslav community voice their stands and decisions.

The SFRY Presidency is resolute in persisting in the defense of the inalienable rights of nations and of the country's dignity as the basis for a further search for an acceptable solution to the fundamental problems of the Yugoslav crisis, including the continuation of talks at The Hague conference and in the United Nations. The SFRY Presidency has also determined activities which it will undertake in order to achieve this goal.

The statement finally specifies that the SFRY Presidency has considered concrete issues regarding the arrival of a UN observer group within the framework of preparation for the deployment of the UN peacekeeping troops, and has decided to set up a state committee for cooperation with the UN representatives.

Republics' Representatives View EC Decision

LD1812012691 Belgrade TANJUG in English 2312 GMT 17 Dec 91

[Text] Belgrade, December 17 (TANJUG)—Representatives of Yugoslav republics today reacted differently to last night's decision by the ministerial council of the European Community (E.C.) to recognize all those Yugoslav republics which so wish in a month's time and which meet the E.C. criteria for the recognition of new states in Europe.

As assessed by the Yugoslav State Presidency, the problems opened up by the declaration concern "the elementary sovereign rights of nations and the state of Yugoslavia as a recognized international personality, and thus require stands and decisions by the constitutative factors in the Yugoslav community."

A statement issued by the Presidency session says that the collective head of state will "resolutely persevere in the defence of the inviolable rights of nations and the dignity of the country, as the starting positions in the further search for acceptable solutions to the elementary problems of the Yugoslav crisis."

The Presidency session was attended by members of the collective head of state from the republics of Serbia and Montenegro and the Serbian provinces of Kosovo and Vojvodina. The republics of Croatia and Slovenia, which have adopted unilateral decisions to secede from Yugoslavia, have withdrawn their representatives from the Presidency, and representatives of Bosnia-Hercegovina and Macedonia have not attended sessions in the past two months.

Serbian Foreign Minister Vladislav Jovanovic told reporters today that the E.C. declaration "is not the way for Europe to help Yugoslavia overcome its crisis."

According to Jovanovic, last night's decision by the ministerial council is just a continuation of the E.C. policy towards Yugoslavia, which has led to a standstill in the work of The Hague conference on resolving problems in Yugoslavia.

Slovenian Foreign Minister Dimitrij Rupel assessed the E.C. declaration as a "final confirmation that Yugoslavia no longer exists." He said that the E.C. decision "presents the recognition of Slovenia as an independent state and a European factor."

Rupel believes that Slovenia "meets all requirements" which the E.C. ministers set as criteria for the recognition of new European states.

Zvonimir Separovic, foreign minister of Croatia, expressed his regret to reporters over the "postponement of the international recognition" of his republic, but also "satisfaction with the progress towards the recognition of Croatia" achieved at the Brussels meeting.

Separovic was especially pleased to state that "Europe no longer discusses whether it will recognize the indpendence of Slovenia and Croatia, but when it will do this."

Macedonian Prime Minister Nikola Kljusev said that the E.C. conditions for the recognition of new states in Europe were acceptable to this Yugoslav republic.

Kljusev criticized the attempts by some countries to obtain the recognition of only Slovenia and Croatia, underscoring that Macedonia, in addition to Slovenia, had the clearest-cut situation when the required criteria were concerned.

The Serbian parliament today discussed the E.C. declaration behind closed doors, and this document was also discussed at a meeting of the federal government, which is in progress.

Slovenia

Rupel Gives News Conference on EC Recognition

AU1712203091

[Editorial report] Ljubljana Radio Slovenia Network in Slovene at 1603 GMT on 17 December begins a live relay of a news conference given by Slovene Foreign Minister Dimitrij Rupel in Ljubljana on his return from Brussels.

After the news conference is opened by Slovene Information Minister Jelko Kacin, Rupel starts his assessment of his talks with the EC ministers in Brussels and the EC Council of Ministers declaration on recognizing Yugoslav republics. Rupel begins his assessment of the EC ministers' meeting with the statement: "First I would like to say that this was the meeting of the highest European body and it has concluded that Yugoslavia no longer exists." He goes on to say: "I would like to say to those who are interested or who still have doubts, that this definitely is an EC recognition of the republics that want recognition and qualify for it, because on 15 January, when the deadline expires, the Twelve will not meet again."

Rupel states that Slovenia is pleased with the EC conclusions because they also represent "a complex way of resolving the Yugoslav crisis." He says it has always been in Slovenia's interest that the Yugoslav problem be resolved as a whole, although Slovenia, of course, has always given priority to its own interests.

Rupel considers the preservation of European unity as a second important result of the meeting. Although Slovenia is flattered by the prospect of recognition by Germany, Rupel says, recognition by the entire EC is nevertheless very important for Slovenia as it will facilitate Slovenia's recognition by other European bodies.

Rupel stresses that throughout the meetings with EC ministers (British Foreign Minister Douglas Hurd, German Foreign Minister Hans-Dietrich Genscher, Polish Foreign Minister Leszek Skubiszewski, Hungarian Foreign Minister Geza Jezsensky, Portuguese Foreign Minister Joao de Deus Pinheiro, and EC commissioner Abel Matutes) he emphasized that Slovenia does not wish to be the cause of an argument within the EC.

Rupel concludes that Slovenia will have no problems in meeting the EC criteria for recognition because Slovenia is prepared for recognition. He continues: "The president of the republic [Milan Kucan] has informed me that he spoke with Italian Foreign Minister Gianni de Michelis, who told him approximately the same things as Genscher told me this morning. Namely, that the ministers' meeting was an important event that should be viewed with optimism and joy. And, of course, he also stressed it is of the utmost importance that the EC has not split on this problem. Foreign Minister Genscher said to me this morning over the telephone—we met in person yesterday—that what happened last night, that is to say, this morning, was a great victory."

Rupel then says: "I would also like to add that last night and this morning it was not only Yugoslavia, and the Slovene problem, that was on the table but many other things as well, or I would say, much more. It was the new balance of power in Europe that was involved. You are probably aware of the pressure exerted by the United States upon Europe, especially on the united Germany."

At the end of his report Rupel attributes speci[al] significance to his talks with EC commissioner Abel M[atutes], who has been authorized by the EC to deal with Yugoslavia. Rupel says: "Matutes started the talks wi[th] some assessments that I had thought we would have to discuss in the future, and therefore, I was pleased I did n[ot] have to waste my words. These talks started with an assessment that as regards Slovene relations with the EC our position will not be worse than the position Slovenia held while it was still in Yugoslavia but that it will improve." He goes on to say that the export quotas that were in force for Yugoslavia will now be allocated to four countries: "Slovenia, Croatia, Macedonia, and Bosnia-Hercegovina, at least that is what it seems. This also means Slovenia will have slightly better export chances than Serbia and Montenegro, which will not be included in these concessions."

Rupel continues by saying: "Afterwards we talked about medium term cooperation, when the agreement between Yugoslavia and EC expires, because as you are aware six months is the period specified for giving notice. The six-month period is running out at the moment, and will expire in May. During this period the EC, of course, cannot hold formal talks with us on establishing relations

between the EC and Slovenia. These relations can formally be established only after May.

"We will not waste this time but will prepare some proposals for an agreement on association between Slovenia and EC—that is to say—an agreement that will, hopefully, take into consideration what Slovenia has already achieved in the former Yugoslavia and that will model itself on approximately the same criteria as were applied by the EC toward the Czech and Slovak Federal Republic, Hungary, and Poland. Therefore, we can be particularly satisfied with this economic part of the talks today—I was accompanied by my deputy Mrs. Ravbar [not further identified] who will give more details on some matters—as we learned during these talks that the EC perceives Slovenia as an economic partner, is counting on Slovenia, and is willing to offer numerous concessions to us."

Rupel then says that he was "extremely encouraged" by the meeting in Brussels and explains the efforts Slovenia will have to make in the near future regarding European competition, which will test Slovenia's diplomatic and economic capabilities.

Rupel ends his report at 1620 GMT and Kacin then invites journalists to ask him questions.

At 1635 GMT Rupel's assistant Mrs. Ravbar gives more details of the economic deals with the EC.

Pucnik Interviewed on EC Recognition Decision

AU1712132591 Vienna Oesterreich Eins Radio Network in German 1100 GMT 17 Dec 91

[Telephone interview with Joze Pucnik, chairman of the Slovene Government Alliance Demos, by Michael Kerbler on 17 December—recorded]

[Text] [Kerbler] Mr. Pucnik, on 25 June Slovenia proclaimed its independence. Last night the EC foreign ministers said that all republics of the former SFRY may apply, so to speak, for recognition. Can Slovenia fulfill the EC conditions?

[Pucnik] Yes, these are all conditions that we are able to fulfill or have already fulfilled. This delay is a slight disappointment for us but generally it is an acceptable solution, because we are interested, above all, in having these issues clarified.

[Kerbler] Will you not give up part of your sovereignty, if you accept an arbitration by an EC commission, by EC jurists?

[Pucnik] Of course, it is always difficult for small nations to survive. This is a fact. We Slovenes have already experienced this so far, we experience it now, and we will do so tomorrow, too. We also see, however, that a different form of integration will develop in Europe, and we are certainly willing to participate in this. We accept this arbitration in this spirit, because we are also interested in finally stopping the violence in the southern part of the former Yugoslavia, and because this is also closely linked with our economic interests. In this spirit, we will accept this arbitration. We do not see this as a restriction on Slovene sovereignty but as a beginning to integration in Europe, so that in the future we will enter a united Europe.

[Kerbler] There are still voices in the EC which think that recognition must be the result of negotiations, not diplomatic struggle. What do you think will change for Slovenia as soon as it is recognized?

[Pucnik] First of all, there is the fact that the recognition of Slovenia would finally destroy the illusion that Yugoslavia can be reestablished. This is one thing. Second, for Slovenia this means that we can enter negotiations in a normal way, such as economic and political negotiations, negotiations on infrastructure, etc. This means we will be able to act as an equal partner and to try to find solutions to our problems. Third, the Yugoslav problem can be solved only bit by bit. Slovenia is probably that part of the problem which can be solved most easily and most quickly. For us, however, it is also important that the matter will be finally and formally settled in January, as it looks now. Of course, this is also a consolation for us. It is not the optimum solution, but one we can live with.

[Kerbler] If you can adopt a different position because of recognition, for instance as regards sovereign rights, how will this position be defined toward Serbia?

[Pucnik] Well, first, we expect that Serbia will recognize Slovenia sooner or later. Of course, Serbia's reaction to Slovenian recognition per se depend on the domestic problems in Serbia itself. I think that we Slovenes, and the Slovene state, are only marginally interesting for Serbia. I think that Serbia will concentrate on solving the problems of Croatia and Bosnia.

[Kerbler] Mr. Pucnik, thank you very much for this interview.

Croatia

Prime Minister Greguric Hails EC Decision

LD1712215891 Zagreb HTV Television in Serbo-Croatian 1830 GMT 17 Dec 91

["Brief comment" by Croatian Prime Minister Dr. Franjo Greguric on EC 16 December decision on Yugoslavia issue—live or recorded]

[Text] What has been achieved? Two things have been achieved. The definitive confirmation that Yugoslavia no longer exists has been achieved. This is a fact we have been constantly trying to prove and have been working for. However, as you see there is the stubbborn wish to deny this, the subjectivity [subjektivitet] of Yugoslavia is stubbornly sought, and an attempt is being made in parts of Serbia and Montenegro and elsewhere to arrogate this

subjectiviy to themselves and to provide legitimacy for the Army which has committed heinous crimes and misdeeds and destruction on Croatian territory.

I think that the biggest victory is precisely that this Yugoslav legitimacy is in fact being removed, that reality has been admitted, and that the democratic system in the Republic of Croatia, Slovenia, and other republics which so wish has been recognized.

True, there are other views, like the view expressed in a Belgrade comment today. One is astounded to hear such harsh words used, the assessment that in The Hague last night the EC committed an act of aggression against Yugoslavia by deciding to invite all Yugoslav republics to say whether or not they want to become independent. Please, this is ridiculous to say the least.

Furthermore, there is still the wish to use Yugoslavia as an umbrella for supporting the Army and the aggression against Croatia and the destruction of Croatia. I do not think this is any longer acceptable, it is impermissible. This has been realized by Europe, and it has been realized by the world. All the accusations in this direction are quite groundless; I would even say they are ridiculous.

You see, when there is speculation about whether the danger implicit in recognition is such that the conflict could expand, well, from the Croatian point of view, I do not think there is such a danger. On the contrary, we think that with the act of recognition, by acquiring legal subjectivity and with the assessment I have just made, the removal of Yugoslavia from the throne of a legal subject, and by creating a chance that the war may be stopped definitely and for ever. [sentence as heard] Accordingly, the calculations now being made are a product of the individual interests of the countries concerned with pushing through these stands rather, than being in the interest of peace on the territory of former Yugoslavia.

Separovic Reacts to EC Recognition Decision

LD1712174891 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 17 Dec 91

[Excerpts] The minister of foreign affairs of the Republic of Croatia, Zvonimir Separovic, has held a news conference, from which Tihomir Vinkovic is reporting for the daily news:

[Vinkovic] Commenting on the decisions of the EC meeting in Brussels, Separovic has said that it amounts to a delay in the recognition of the independence of the Republic of Croatia, and expressed satisfaction with the confirmation that Yugoslavia no longer exists, and the decision that EC-member states can individually decide to recognize the Yugoslav republics seeking recognition.

The EC has set criteria which republics must meet if they want international recognition, and guarantees to respect minority and human rights. It is stressed that 23 December is the deadline for republics to make known their desire for recognition. According to Separovic, this is a challenge to Serbia and Montenegro, the republics which want to inherit Yugoslavia.

Croatia welcomes the arrival of UN observers, as well as the commission for human rights. [passage omitted]

Asked with whom he talked after the Brussels meeting, Separovic said that he had contacts with Minister Genscher, Mock, and some others. In the course of the talks with Separovic, the ministers explained the Brussels decisions, and announced that nothing will stop them from recognizing Croatia on 19 December. The recognition would prompt other countries to follow the lead, and would clearly show that violence does not pay. According to Minister Separovic, recognition would not escalate armed hostilities, but the delay in recognition simply encourages the aggressor. Minister Separovic thanked Germany for humanitarian aid and for setting up a bureau for rebuilding the destroyed Croatia.

Osijek Mayor Comments on U.S. Stance

LD1712133291 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 17 Dec 91

[Text] Osijek Mayor Zlatko Kramaric, who just returned from an official visit to the United States, has said that one ought to be neither too optimistic nor too pessimistic as far as the United States recognition of the Republic of Croatia is concerned, but one ought to be persistent. He stressed that Lawrence Eagleburger, with whom Kramaric had two hours talks in the State Department, told him that those who caused the war in Croatia would be punished and conifrmed the stand that internal borders in the territory of the former Yugoslavia would not be changed, but he stood by the United States Government view that the recognition of Slovenia and Croatia would cause large-scale conflicts.

Government Sees No Need for War Economy

LD1712142791 Belgrade TANJUG in English 1314 GMT 17 Dec 91

[Text] Zagreb, December 17 (TANJUG)—There is no need to introduce war economy, except in certain parts, which were governed anyhow by the logic of the war developments, as assessed at the Yugoslav Republic of Croatia Government session on Monday [16 December] night.

The government was informed also about the consequences of the breaking of the Peruca dam on the Cetina River, some 17 kilometers upstream from Sinj, in the Dalmatian hinterland. Yugoslav Army units have completely closed the floodgate, which caused the filling of the lake to normal working level, as set out in the announcement of the government session and warned that further rise of the lake level could directly threaten the dam, which, in view of experts, could cause an ecological disaster downstream of the dam.

For this reason, it was concluded that the Croatian Government immediately open talks with the Yugoslav Army, in the presence of E.C. monitors, to have the floodgate open as soon as possible.

Krajina Assembly To Declare Republic Status

LD1812110191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1009 GMT 18 Dec 91

[Text] Knin, 18 Dec (TANJUG)—Mile Paspalj, president of the SAO [Serbian Autonomous Region] Krajina Assembly, has called a Krajina Assembly session for tomorrow. The Assembly is due to adopt a constitution and proclaim the region a republic.

A session of the SAO Krajina constitutional commission is taking place in Knin today to agree on the final text of the constitution.

Some Paraga Charges Unfounded; May Be Released

LD1712214191 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 17 Dec 91

[Excerpt] The Croatian High Court ruled today that suspicion that Dobroslav Paraga [leader of the Croatian Party of Rights] committed the act of armed rebellion and the act of assisting a jailed person to escape is unfounded. This was revealed at a news conference held at the Croatian Party of Rights' headquarters. This confirms the earlier ruling of the court, which rejected a demand to set in motion an investigation against Paraga for the cited criminal acts. He and his personal aide, Milan Vukovic, are, however, still charged with illegal arms trading. Vukovic explained that they simply helped the Krizevac Ministry for Internal Affairs to purchase weapons from Slovenes.

As the Croatian High Court ruling refuses as unfounded a demand of the republican public prosecutor to prolong Paraga's detention, the investigative judge might tomorrow decide to release him. [passage omitted]

Reaction to Paraga Arrest

92BA0213A Belgrade POLITIKA in Serbo-Croatian 24 Nov 91 pp 1, 7

[Article by R. Arsenic: "Attack on Tudjman"]

[Text] In reporting on the arrest of Dobroslav Paraga, chief of the Croatian Rights Party [HSP], all the world wire services and papers judge that with the fall of Vukovar Croatian President Tudjman has embarked on a showdown with the extreme right. There is no doubt that a political showdown in Croatia did actually begin with Paraga's removal from the scene; in the assessment of the prestigious London INDEPENDENT, "that showdown is leading Zagreb to the verge of civil war." Paraga's armed followers are in the capital of Croatia, as reported by the foreign observers, especially near the railroad station, which suggests a possible armed conflict between the official Croatian authorities and these ultraright groupings.

It is certain that in the assessment of foreign newsmen, who describe Paraga as a fascist, ultrarightwinger, and ultranationalist, Tudjman decided on this step precisely in order to create the possibility of resolving the crisis in Yugoslavia and halting the war by political means. If nothing more, in the opinion of the American wire service AP, the Croatian president needs UN peacekeeping forces in order to save his republic, because he faces growing dissatisfaction in his own milieu and "despair on the battlefront."

Zagreb, 23 Nov—The surprise arrest of Dobroslav Paraga, the president of the Croatian Rights Party, and of his assistant, the lawyer Milan Vukovic, suddenly turned the attention of a public not confined to these parts away from the events on the battlefields all over Croatia. After all, by all appearances, this is the culmination of official warnings that have come in recent days from the Supreme State Council, which Tudjman heads (which for all practical purposes wields power in Croatia), that they were on the trail of exposing a plot to overthrow the constitutional system and legal authority in this republic.

It began, to go back, when Mile "Hawk" Dedakovic, who commanded the Croatian defense of Vukovar, was called in for interrogation by the military police of the ZNG [People's Guard Corps], and then the very next day (that is, on Friday) it was learned that Dobroslav Paraga and Milan Vukovic had been arrested. As announced last night by a spokesman of the Ministry of Internal Affairs [MUP] of Croatia, the criminal charges of the MUP which were the basis for taking these two into custody refer to the crimes of forcible overthrow of the legally elected government and constitutionally established order of the Republic of Croatia.

That indictment of the two arrested also contains the charge of forming armed formations which, according to the allegations, committed a number of crimes: from illegal entry of private dwellings and unauthorized removal of property (in short, theft), and then forcible entry and occupation of several public buildings (for example, the building of the Graphic Artists Club on Zrinjevac), and then the smuggling of arms intended for the People's Guard Corps, and so on.

Those in the leadership of the Croatian Rights Party vigorously reject all this and—what is more, accuse the Croatian Supreme Command of having rigged up all this in order to pass on the responsibility for defeats on the battlefields.

In last night's press conference in the party headquarters, Ante Dzapic, its vice president and chief of staff of HOS (the party's army) also had this to say:

"I believe that the top Croatian leaders will come to their senses. We are not a putschist party, and this trumped-up

charge that Paraga wanted to overthrow the government by force is tragicomic, because the Croatian government has sufficiently compromised itself and lost credibility with the Croat people. The HSP does not want to get into a civil war, and we will never fire on the Croatian fighters, the MUP and the Guards, even though they have fired on us on several occasions. If our fighters withdraw at this point, be assured that two of our important points will fall."

Dzapic issued a warning that "a large number of the fighters of the HOS began to return to Zagreb after the news of Paraga's arrest. Although we did not summon them," and he remarked that the leadership of the party and the HOS will "hold their anger and emotions in check for at least another 24 hours, until the president and his aide are released."

In any case, the actual arrest of Paraga and Vukovic was carried out in a spectacular manner in broad daylight. According to the account given last evening by Paraga's personal bodyguards, this occurred at 1100 hours yesterday, some 100 meters away from his apartment. The street was blocked by a truck, and at that point they were surrounded by 20 or 30 armed individuals, several bursts were fired into the air as a warning. They were quickly handcuffed and taken away to the District Prison on Remetinac.

Paraga's bodyguard says: "Had we attempted to do anything, they would certainly have killed us, and then we would also have put the life of our president in danger."

The lawyer Zvonimir Hodan, the HSP's authorized defense counsel (who is also defending Lieutenant Colonel Mile "Hawk" Dedakovic), said last night that everything could be worked out peacefully.

"The president did not even receive a summons for interrogation, because had he received it, he certainly would have responded," he said, adding that this type of arrest is "typical for persons against whom an arrest warrant has been issued, or when they are inaccessible to law enforcement agencies."

Dubrovnik-Hercegovina Front Cease-Fire Holds

LD1712130791 Belgrade TANJUG in English 1052 GMT 17 Dec 91

[Text] Dubrovnik, Dec 17 (TANJUG)—The cease-fire was respected by both sides on the Dubrovnik-Hercegovina front last night, as the press centre of the Trebinje-based Yugoslav People's Army (JNA) Second Operational Group for Hercegovina announced this morning.

The federal military sources warned that the "situation in the Neretva Valley and western Hercegovina is still uncertain and complex."

There was sporadic shooting in Capljina, and Croatian military formations are "regrouping and bringing in mobilized forces" in the area of Ston and Neum, as the federal military sources specified.

JNA naval units control the maritime traffic in the Port of Dubrovnik, as the JNA's Second Operational Group for Hercegovina reported.

Croatian radio, which is subject to the censorship decreed by the president of the republic, reported that it was quiet in Dubrovnik in the early morning hours. According to the censored Croatian radio, "fire was opened on the positions of the Croatian Army from enemy strongholds on Bosanka Hill" last night. According to Croatian radio, rifle grenades were fired and other infantry weapons used.

Army Says Novi Sad Corps Respecting Cease-Fire

LD1712134591 Belgrade TANJUG in English 1258 GMT 17 Dec 91

[Text] Dalj, Dec 17 (TANJUG)—The units of the Novi Sad Corps are respecting the cease-fire even though they are an open target for Croatian paramiltiary formations, Colonel Vujica Rakicevic today told journalists in Dalj, a town in Baranje. He added that the Army, while its weapons remain quiet, is preparing for possible future actions.

The city area of Osijek, Colonel Rakicevilsaid [said], is not being targeted, any other information is a product of enemy propaganda. Fire was returned on only a few provocations from Nemetina, an industrial suburb of Osijek, from which Sarvas and Bijelo Brdo were showered with shells, tank grenades and sniper shots the day before yesterday.

Agricultural planes used by the Croatian forces carried out flights last night. Using the Danube and Drava River valleys for low flights over Serbian villages in the area of Slavonija, Rakicevic said that various explosive devices were dropped. Several bombs or missiles hit Borovo Selo and Borovo Naselje but luckily there were no casualties.

According to information which arrived at the Serbian radio in Borovo Selo, Karadzicevo was hit on several occasions yesterday and last night.

Army Captures 'Chetnik' HQ in Hotel

LD1712204191 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 17 Dec 91

[Report from Pozega front by Drago Stajduhar]

[Excerpts] The Croatian Army is continuing to clear the Pozega front of Chetnik terrorists . Having overrun the village of Gornji Vrhovci on Mount Papuk yesterday and the western sector of the front one week ago, today our army forces took the well-known Zvecevo holiday resort. [Passage omitted] The Hotel Zvecevo was the headquarters of the Chetnik renegade command, from where many attacks on Pozega area villages and our Army positions were coordinated. As from today this will no

longer happen. Moving in the direction of Zvecevo, the Croatian soldiers came up against an ambush in which one Chetnik was killed and another wounded The bodies of three murdered civilians were found in Vucjak Kamenski. It is assumed that they perished as far back as 14 December. [passage omitted]

Our forces have discovered large quantities of weapons, military hardware, equipment, heavy artillery, and infantry weapons and ammunition in the area. The Chetniks were well provided with food because large food supplies were discovered, all of army provenance. [passage omitted]

In conclusion let us say it again: Zvecevo, one of the occupying criminals' strongholds and headquarters, has been liberated. It is in the hands of Croatian soldiers.

Government To Negotiate With JNA Over Dam

LD1712142591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1201 GMT 17 Dec 91

[Excerpts] Zagreb, 17 Dec (TANJUG)—The Croatian Government decided at a session last night that there is no need to introduce the war economy in the broad sense of the word, except for certain sectors of the economy where this has already happened in the course of the war. The government was briefed about possible consequences of an eventual destruction of the Perucac dam on the Cetina River, 17 kms upstream from Sinj. [passage omitted]

It was concluded that the Croatian Government should begin negotiations with the Yugoslav Army in the presence of EC observers right away in order to secure an immediate opening of the overflow system.

Knin Corps Reports 'Provocations,' 'Sabotage'

LD1712125991 Belgrade TANJUG in English 1121 GMT 17 Dec 91

[Text] Knin, December 17 (TANJUG)—Continual armed provocations and mortar and other artillery pieces attacks on the positions of the Yugoslav Army Knin Corps and the Territorial Defense of the Serbian region Krajina from the strongholds of the Croatian forces were a daily occurrence on the Krajina-Dalmatia battlefront, as reported on Tuesday [17 December] by the Yugoslav Army Knin Corps information service. Also, armed para-military formations and members of Croatian police were regrouping and bringing in reinforcements.

Over the last few days, intensified activitiy of smaller size units of Croatian Guard, for the main part, terrorist groups which were attempting to infiltrate the areas controlled by the Knin Corps have been spotted. One such group infiltrated the area around Obrovac, and was, according to the local Territorial Defense staff reports, destroyed.

The starting points of such sabotage actions of groups of the Croatian armed formations were mostly from the strongholds around Zadar, Skradin, Biograd na Moru and Sibenik, as cited in the Knin Corps information service announcement.

The announcement said that ceasefire was violated on several occasions on Monday in the Zadar hinterland, and the railway station at Zitnic, near Drnis, was fired on by tanks.

Fighters Reportedly Seek Shelter in Bosnia

AU1712160591 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 17 Dec 91

[Sinisa Samatovic report]

[Text] Weapons have been silent on the Karlovac-Kordun battlefield today. The representatives of the Vojnic communal assembly used this break to hold yet another round of talks with the key people in the Velika Kladusa commune. There are numerous reasons for the talks. The top people in the neighboring communes want to stop the escalation of clashes on the border between Krajina and Bosnia-Hercegovina.

The events that have recently taken place on the border between the Serbian Autonomous Region of Krajina and the Cazin region have not corresponded to the agreements reached by the civilian authorities. After the liberation of Slunj and Cetingrad, a large number of the members of the [Croatian] Ministry of Internal Affairs and the Guard sought shelter in the neighboring republic, but continued their dirty work. They found collaborators among members of the Croatian Democratic Community in the villages of (?Sumenkovac), Siljkovaca, and Sturlic, and among the extreme wing of the Party of Democratic Action in the Velika Kladusa area. There are already some consequences. Two Serbs were recently killed and 10 wounded. At the same time, the criminals are boasting that the Kordun fighters suffered greater losses after the liberation of Slunj and Cetingrad than during the fighting itself.

Representatives of Kordun warned the relevant organs of the Ministry of Internal Affairs of Bosnia-Hercegovina about the terrorists activities of the extremists from the Velika Kladusa area, but there has been no reaction from Sarajevo yet. The residents of the communes of Vojnic and Velika Kladusa have been living like good neighbors for decades. The continuation of such a way of living is now being hindered only by the extremists from the Croatian Democratic Community and some 100 members of the Party of Democratic Action. Whether their dirty intentions can be prevented will be shown by future events in the Cazin region.

People from Kordun want to avoid all incidents and preserve good neighborly relations.

Saboteurs Said To Be Training In Hungary

LD1612132791 Belgrade TANJUG in English 1215 GMT 16 Dec 91

[Text] Beli Manastir, December 16 (TANJUG)—Baranja territorial defence headquarters commander Major Borivoj Dobrokes said today that about 500 Ustashi (Croatian fascists) were undergoing saboteur training in neighbouring Hungary and that they were being infiltrated into Serb areas in the Yugoslav republic of Croatia.

Major Dobrokes told TANJUG reporter that several such saboteur groups had already been neutralized in Baranja.

Croatian paramilitary forces have made frequent incursions into Banija since September 2, when they were driven out of the area, and the cease-fire is constantly being violated, said Dobrokes.

"We come under artillery fire occasionally, while the saboteur incursions are aimed at creating a feeling of insecurity and fear among the population and a mistrust of the new authorities," said Dobrokes.

In the last few days Croatian forces have bombed villages in the Serbian regions of Slavonia, Baranja and West Srem from aircraft used in agriculture and dropped propaganda leaflets calling for surrender, said Dobrokes.

In the liberation of Baranja 31 men died, while 50 were wounded. The majority of them were killed by Ustashi-planted mines or were knifed, only three died in battle, said Dobrokes.

Baranja is part of the Serbian Autonomous Region of Slavonia, Baranja and West Srem, and has declared unilateral autonomy as did the Knin region. Serbs in these areas do not accept Croatia's unilateral decision on secession, and voted at a referendum to remain within Yugoslavia.

Serbian Mobilization in Slavonia Urged

AU1612091891 Novi Sad TVNS Sat TV in Serbo-Croatian 1830 GMT 15 Dec 91

[Commentary read by announcer Miroslav Pusic]

[Text] The 5,000 refugees in Banja Luka and twice as many more on the way to this Bosnian town are the tragic result of the exodus of Serbs from western Slavonia, which is Serbian in both the ethnic and historical senses as it has belonged to the Serbian people for hundreds of years. As we have learned from well-informed sources, because of all this, it was planned to put the area under the protection of the blue helmets. With a strong military offensive by well-armed and equipped Croatian fighters against poorly-armed members of the Serbian Territorial Defense defending their hearths in western Slavonia, the Croatian-German aggressors are in fact destroying the preconditions for and the sensibility of an intervention by the blue helmets. These preconditions, marked by a wish for peace, were accepted by the Serbian people and the Yugoslav People's Army, who have respected the truces consistently violated by the Croatian side.

What causes this situation in western Slavonia? First of all, one should look at the inequality of the opponents in the conflict: the poorly-armed members of the Serbian Territorial Defense on one side, and the more numerous and better-equipped Croatian fighters on the other. There is also desertion of wide proportions, caused by the activities of some political parties whose desire for power has obscured the real interests of the Serbian people. These people, at least in western Slavonia, have been left on their own and to flee.

The indecisiveness of some units of the Yugoslav People's Army should perhaps also be treated as one of the causes, as well as the lack of understanding of what the areas populated by Serbs in western Slavonia mean—not only to the Serbian people but strategically.

Regarding the Serbian people, it is high time that all those who wish them well understand that the mobilization of all defense forces which the Serbian people possess is necessary.

Vukovar Seen as Source of Pride for Croatia

92BA0228B Zagreb VJESNIK in Serbo-Croatian 6 Dec 91 p 5

[Unattributed article: "Report by Vukovar Confidential Commission; Vukovar Returned Pride to Croatia"]

[Text] It is still impossible to evaluate what the problems and weaknesses of the military and civilian institutions were from the very onset of the armed conflict, and to what extent they influenced the development of events.

Since the representatives had not received a report in time from the Confidential Commission that was set up a month ago by the Assembly for the purpose of determining the level of readiness and assessing the situation and possibilities of the Republic of Croatia in the defense of Vukovar, including breaking through the blockade, the debate was postponed. Commission member Vice Vukojevic said that events had overtaken the Commission, and that essentially it had nothing to do, because the Croatian army had withdrawn from Vukovar, which the enemy has temporarily occupied.

In the meantime, the representatives have received the report. Among other things, it emphasizes that the Commission has received information from the Main Staff and the MUP [Ministry of Internal Affairs] about the defense of Vukovar, about the real balance between the aggressor's forces and those of the Croatian army, and about possibilities of further war operations. The defense of Vukovar, including the attempt to break through the encirclement that occurred on 13 November and which was foiled, and the occupation of that city

cannot be regarded separately, but rather only as part of the complex and interdependent military activities in the entire region of eastern Slavonia and in the other theaters of operations, and as part of the development of the young Croatian state, the establishment of its government, the organization of its system of defense, and the formation of armed forces under the real circumstances of political relations in the former SFRY and amidst international encirclement.

Superiority of the Aggressor

The Croatian army has been armed primarily by seizing weapons from the enemy. The aggressor has clearly enjoyed great superiority, and that has defined the strategy of the Croatian army. In supplying the battlefields of eastern Slavonia, the Main Staff has enjoyed the full support of the competent bodies of state administration and leadership, and effective help for the encircled Vukovar was their main preoccupation.

Since Vukovar was encircled by the disproportionately stronger forces of the aggressor, and given the real balance of forces on the entire battlefield of eastern Slavonia, the Main Staff established a strategic goal on 10 November: to break through the encirclement, evacuate the wounded and sick from Vukovar Hospital, and strengthen the defense of Vukovar by inserting fresh forces and supplies of weapons, ammunition, and food. Because of the balance of forces, this modest goal was at the limit of the Croatian army's realistic capabilities, even though 40 percent, and in some elements 80 percent of all available combat resources were committed to the eastern Slavonian battlefield. The breach was postponed in order to supply the units with additional weapons from Yugoslav Army shelters taken in Jamadolo and Belica. Because of the enemy's exceptional technical superiority, the breach was foiled. Vukovar was taken on 20 November.

City Became Legend

In their report, the members of the Commission maintain that Vukovar nevertheless did not fall, but rather that a magnificent victory was achieved. The city became a legend because its defenders inflicted heavy losses on the aggressor's most elite units. By holding on to this region for so long, Croatia was able to outfit its armed forces and prepare for its next goals. Moreover, Vukovar dealt a heavy blow to the self-reliance of the Serbian armed forces and accelerated its disintegration. Vukovar returned pride and self-confidence to Croatia.

Especially stressed is the fact that it is not possible to pronounce final judgment on Vukovar. It is still impossible to evaluate what the problems and weaknesses of the military and civilian institutions were from the very onset of the armed conflict, and to what extent they influenced the development of events.

Political Damage

The members of the Commission conclude their assessment by stating that it would be politically damaging, but also an insult to the victims of Vukovar, to go to the other extreme with the estimation, until only recently the dominant one, that Vukovar must be defended at any cost and that its survival defines the fate of Croatia, by overemphasizing inquiries into individuals and by continuing to unnecessarily open up various "cases" and "affairs," and, by emphasizing only the weaknesses and negative elements associated with Vukovar, to begin doing the same thing that the enemy has already been doing in abundance with his propaganda.

The report was prepared by Commission members Petar Bosnjakovic, Ivan Juros, Stanko Kovac, Ivica Racan, Vera Stanic, Zvonimir Turk, and Vice Vukojevic.

The Assembly adopted the Commission's report by a majority vote at the joint afternoon session.

Serbia

Jovanovic: 'Too Early' To Assess EC Decision

LD1712230591 Belgrade TANJUG Domestic Service in Serbo-Croatian 2050 GMT 17 Dec 91

[Text] Belgrade, 17 Dec (TANJUG)—Serbian Minister of Foreign Affairs Vladislav Jovanovic will leave tomorrow for Cairo, where he will hold talks on the situation in Yugoslavia with Egyptian Foreign Minister Butrus Ghali, who will begin his five-year stint as UN secretary general on 1 January.

Minister Jovanovic said that Ghali was interested to learn at first hand Serbian views on the Yugoslav crisis. Apart from that, Jovanovic said, there will also be discussion of Yugoslavia's views on the role of the United Nations in resolving the crisis in the country, and especially the arrival of the "blue berets."

The Serbian minister of foreign affairs was talking to journalists after the end of the closed session of the Serbian Assembly, at which he informed deputies about the latest decisions of the European Community concerning Yugoslavia.

The latest declaration of the European Community about the guidelines for the recognition of the new states in Europe and the USSR, according to Minister Jovanovic, is nothing new, as it is a continuation of a policy that the European Community has for several months followed toward Yugoslavia, which has brought to a standstill the work of the Hague conference. This is not the way to provide the assistance Europe offered to Yugoslavia for the resolution of the crisis.

Minister Jovanovic believes that it is still too early to assess what the new declaration of the European Community means, its importance, or its motives, as it has been only a day since it was adopted. "Only when it has

been carefully studied will the public be informed about our assessment," Jovanovic said.

When asked about his prognosis on the recognition of Slovenia and Croatia in the envisaged period, the Serbian foreign minister said: "One month is a long time. We have to wait and see, because a lot of things can happen in that period. There is a certain process, a procedure, for doing it, and it depends on how Slovenia acts."

Asked what Serbia should do now, Jovanovic answered with a question: "First, what should Yugoslavia do? And only then Serbia."

Jovanovic believes that as a result of the declaration, it is primarily Yugoslavia which will suffer.

Democratic Party Deems EC Document 'Unserious'

AU1712164891 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 17 Dec 91

[Text] The latest decision by ministers of the European Twelve on recognizing some Yugoslav republics by 15 January is unserious because this is an attempt to resolve the problem in a hasty and cursory way. This was said, among other things, at a news conference by the Democratic Party. The party's leaders think that the resolution of the Yugoslav crisis must be comprehensive. Dragan Stavljanin has a report:

[Begin Stavljanin recording] Europe must first of all help a truce to be achieved and talks to continue and only then can the possible recognition of some Yugoslav republics be considered. This was said by Zoran Djindjic, president of the Executive Committee of the Democratic Party.

Professor Dragoljub Micunovic, leader of the party, stressed that this decision by European ministers is a kind of compromise between different options and could be dangerous. In his opinion, everything depends on whether the United Nations will send blue helmets to Yugoslavia before Slovenia and Croatia are recognized. If the sequence of moves is reversed, this will be very risky, Micunovic said.

Presenting the draft declaration for a democratic debate on Serbia's national and state interests, leaders of the Democratic Party thought that Serbia must have its own vision of the future and not merely observe the collapse of the sovereignty of Yugoslavia. In this transitional period, Serbia must be a sovereign state with a professional army and healthy currency in order to avoid a vacuum in which it is not known what powers Serbia has; how the Army is run, and what protection there is against, for example, dirty dinars from Slovenia.

In the opinion of Zoran Djindjic, this does not discount corresponding powers of federal organs. Professor Dragoljub Micunovic stressed that it is essential to reach an agreement with members of other peoples and ethnic minorities in Serbia so that they are loyal citizens of our republic to the same extent as Serbs.

Zoran Djindjic stressed that Serbs outside Serbia on the territories where they are in the majority should vote on where they want to live. He said that bearing in mind the present development of events the most suitable solution for Bosnia-Hercegovina is some kind of cantonization.

Regarding the economic situation in Serbia, Dr. Miroljub Labus warned that we would experience a catastrophe if official politicians continued to implement a state-controlled economic model. In Labus's opinion, the Government of Serbia is behaving as if nothing is happening, which is confirmed by the announcement of a great increase in the budget for next year. He concluded that this is an attempt to actually rescue incompetent state enterprises and all in all this is a great blow to already impoverished citizens. [end recording]

Radoman Bozovic To Set Up New Government

AU1712171691 Belgrade Radio Belgrade Network in Serbo-Croatian 1700 GMT 17 Dec 91

[Text] Radoman Bozovic is the person with the mandate to set up the new government of Serbia. He was proposed by Slobodan Milosevic, president of Serbia. Bozovic is president of the Executive Council of the Assembly of Vojvodina and a deputy in the Assembly of Serbia.

Republic To Use New Tax System Starting 1 Jan

LD1812040191 Belgrade TANJUG in English 1629 GMT 17 Dec 91

[Text] Belgrade, Dec 17 (TANJUG)—The Assembly of the Republic of Serbia has decided that a new system of taxation, based on those in use in the industrialized European countries, will come into force as of January 1 next year.

Under the new tax system, the republican budget will be financed by six million citizens who will pay taxes on all income, property which they possess or use, and business profits.

The 2 million employed persons in Serbia will pay their first taxes from their January salaries. Their gross earnings for January will be reduced by 17.5 percent for social security, and then by 20 to 30 percent advance tax, depending on the size of their pay and tax concessions foreseen by the law.

All taxpayers will pay quarterly taxes on dwellings or offices which they own or use.

Entrepreneurs whose activities are not yet registered as firms will also pay taxes in line with income tax regulations, choosing between paying lump sum taxes and keeping books.

Private sector businessmen who have just started operating will be exempted from all taxation in the first year,

in the second year will pay 30 percent and in the third year 70 percent of the full taxes. Their taxes will also be reduced over five years in proportion to any foreign capital investment.

Entrepreneurs will also enjoy a further 15-percent cut in taxes if they invest in training personnel, new technologies and protection of the environment.

Citizens will have to declare by April 30 at the latest all their earnings and expenditures for the previous year which will serve as a basis for determining their taxes.

The new tax system envisages strict control measures, including uniformed tax police and penalties varying according to the offence.

Kosovo

'Republic' To Seek International Recognition

AU1812101091 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 17 Dec 91

[Text] Commenting on the proposal by the EC Council, Ibrahim Rugova, leader of the Democratic Alliance of Kosovo, today said that the political organs of Kosovo will also demand the international recognition of the Republic of Kosovo. Rugova stressed that this demand is based on the decision of the recent referendum by the citizens of Kosovo, who voted in favor of Kosovar sovereignty and independence.

Kosovars 'Beaten,' 'Robbed' by Serbian Militiamen

AU1712153791 Zagreb Radio Croatia in Albanian 2150 GMT 16 Dec 91

[Text] In recent days, many of our compatriots living and working in European countries have telephoned us, saying that they have been manhandled, beaten and robbed by Serbian militiamen while traveling to Kosovo or returning from their birthplace, solely because they are Albanians. The first incidents normally occur while entering Kosovo at Kacanik or Podujevo. Besides a detailed search, the treatment involves the confiscation of their property and passports, (?without which) Albanians are answerable to possible summons to mobilization. The militiamen put their hands in the Albanians' pocket and take all the foreign and local currency the traveler possesses.

This has also happened at Skopje and Pristina Airports. Albanians are often detained for questioning, imprisoned, or sent to unknown destinations, usually eventually to the Croatian front.

Now that the Christmas and New Year holidays in European countries are beginning, many of our workers are returning home to spend some time with their families. Everybody must careful not to carry large sums of money, because there is a real possibility of this money ending up in the pockets of Serbian militiamen, alongside any other valuables that take their fancy. Some of our compatriots recently returning from Kosovo to the West through Bosnia and Hercegovina have said that they too have been robbed, beaten, and manhandled. It is therefore advisable not to travel outside Kosovo or to Kosovo without good reason at this difficult time, and those who do travel should take care.

Bosnia-Hercegovina

Officials Conduct Roundtable on War in Croatia

AU1812120691 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 17 Dec 91

[Text] The magazine SVIJET and the Association of Yugoslav Humanists of Sarajevo today organized a roundtable talk on the theme humanism and peace. The talk was attended by Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, and Biljana Plavsic, Stjepan Kljujic, and Ejup Ganic, all members of the Presidency of Bosnia-Hercegovina.

At the beginning of the talk (?Rudi Mumic), president of the Association of Yugoslav Humanists, demanded that the truth be established as to who is fighting for whom, that is, whose is fighting on whose behalf. The basis of humanism, stressed (?Seid Kurtovic), president of the Academy of Science and Arts of Bosnia-Hercegovina, is that man is the center of the (?all things).

Biljana Plavsic, member of the republican presidency, expressed the view that peace movements cannot have a therapeutical effect on [words indistinct] and that the causes of the war must first be established. Stjepan Kljujic said that Bosnia-Hercegovina is suffering all the consequences of war in which it is not taking part. Alija Izetbegovic, president of the Presidency of Bosnia- Hercegovina, said that the republic authorities are doing their utmost to preserve peace. First, the republic declared itself neutral in the war, it stopped young men from Bosnia-Hercegovina from going to the war, and called for the deployment of the blue helmets in Bosnia-Hercegovina.

The Bosnia-Hercegovina authorities have also resisted the (?influence) of the television, (?particularly) Belgrade Radio and Television and Croatian Television, which (?make) this war even more dangerous and worse. Stressing that Sarajevo Television does not exert pressure on the viewers, Izetbegovic said that reporters must not allow themselves to be [word indistinct] and that is unacceptable to have Serbian, Croatian, and Muslim Television.

Leader Asks For UN Protection of 'Sovereignty'

LD1812040891 Belgrade TANJUG in English 2016 GMT 17 Dec 91

[Text] Sarajevo, December 17 (TANJUG)—Serbian Democratic Party of Bosnia-Hercegovina leader

Radovan Karadzic today urged that the federal parliament ask the United Nations (U.N.) to protect the integrity and sovereignty of Yugoslavia which is being threatened by the European association.

In a telegram to parliament President Slobodan Gligorijevic, Karadzic pointed out that, under the guise of offering good services, the European Community (E.C.) was "encouraging secessionist processes and cheering the destroyers of a sovereign and independent state, over half of whose population wish its survival."

Karadzic assessed that the "dictates of the E.C. will be sure to lead to an escalation of the bloody war instead of a peaceful and democratic solution to conflicts." That is why he proposes that all Yugoslav affairs be returned to the federal parliament and a process opened for the recognition of the rights of nations to self-determination.

Yugoslavia should be the first country which will recognize Slovenia and Croatia, and that is why their requests for secession should be placed on the agenda immediately, Karadzic believes.

This would prevent any ill-intentional and illegitimate outside interference in the internal affairs of Yugoslavia, Karadzic concluded.

The Serbian Democratic Party shares power in Bosnia-Hercegovina with the national parties of Moslems—the Party of Democratic Action, and Croats—the Croatian Democratic Union, and it is the second-strongest party in this Yugoslav republic.

Parents Criticize Extension of Military Service

AU1712214791 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 17 Dec 91

[Text] A meeting of a delegation of the parents of soldiers who are on the battlefields and whose military service has been extended with Momcilo Krajisnik, president of the Bosnia-Hercegovina Assembly, and Ejup Ganic, member of the Bosnia-Hercegovina Presidency, was held in the Bosnia-Hercegovina Presidency this afternoon. The meeting was also attended by Bogic Bogicevic, SFRY Presidency member from Bosnia-Hercegovina, and Jerko Doko, Bosnia- Hercegovina defense minister. Blasko Budimic reports:

[Begin Budimic recording] First the parents' delegation put forward its requests. It demanded that the service of those soldiers who have completed their national service and are now serving in the Army reserve units be immediately suspended, that soldiers who spend more than 45 days in the crisis areas be allowed at least seven days' rest and that those who have not fully served their national service be allowed to serve the remaining period in Bosnia-Hercegovina. They also added demands like the observation of the Bosnia-Hercegovina Presidency decree that draftees should not be sent to the Yugoslav Army while the war situation still applies. The delegation also demanded protection for the children of soldiers who became invalids, protection for their families, and protection and help for the families of the deceased soldiers.

Ejup Ganic, president of the Bosnia-Hercegovina Crisis Headquarters said that the Bosnia-Hercegovina Presidency has tried to maintain a policy that would preserve peace and spare children from being sent to the crisis areas. Another question is, Ganic said, how much can we actually do, because the General Staff did not take into consideration any of the similar earlier requests.

Momcilo Krajisnik proposed to the all participants in the meeting that Ejup Ganic, president of the Crisis Headquarters, present these demands to the Republican Presidency during the talks with the military leadership, which will be held in few days' time in Sarajevo. According to Krajisnik, this is the only proposal that could produce results.

The delegation of parents was persistent in demanding that Supreme Command be contacted as soon as possible and that a delegation consisting of nine representatives of the parliamentary parties in Bosnia-Hercegovina Assembly, led by the president of the Bosnia-Hercegovina Assembly, depart for Belgrade.

In the end, they accepted Momcilo Krajisnik's proposal that a joint meeting of the delegation of parents and the proposed parliamentary delegation be held at 0900 GMT tomorrow and that the military command in Belgrade be contacted. [end recording]

Poll Finds Ethnic Division of Media Opposed

AU1712211891 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 17 Dec 91

[Text] Esteemed listeners! You know that on the request of Sarajevo Television, the Bosnia-Hercegovina Post Office and the ATIS organization carried out an opinion poll among the viewers and listeners of the Sarajevo Radio and Television regarding the division of this company into nationality-based stations. The results of the poll are as follows:

There were 320,621 telephone callers who opposed the division of Sarajevo Radio Television into nationality-based stations. There were 32,321 telephone callers in favor of the division of Sarajevo Radio Television into nationality-based stations. The ratio of those who were against the division to those that were in favor of it is 10:1, or to put it another way, ten times more people were against the division of Sarajevo Radio Television into nationality-based stations.

The greatest support to the company in the future would be if the listeners and viewers paid radio television licenses, because without license money and in the times of the economic collapse, it would be very easy to divide the company and the stations of Sarajevo Radio Television.

Battle for Food Entering 'Final Phase'

92BA0245B Sarajevo OSLOBODJENJE in Serbo-Croatian 5 Dec 91 p 1

[Article by H. Arifagic: "Hunger on the Doorstep"]

[Text] The battle for food is entering its final phase. Whoever wins this offensive will also win the war. It was for this reason that yesterday about 10 directors from enterprises operating as part of the Sarajevo UPI [United Agriculture, Trade, and Industry] commercial system were in Belgrade, Zrenjanin, Loznica... without finding any possibility for continuing cooperation, or rather trade with their business partners, which has been cut off by the "Decree of the Government of Serbia on Banning the Sale of Certain Agricultural Products." According to Ugljesa Uzelac, the director of this business system, and Dusko Loza, the director of the dairy industry UPI, it is extremely important to get out of Serbia the goods that have already been bought and paid for, but have not yet been delivered, especially since Bosnia-Hercegovina, and the commercial UPI, do not have any sort of food stocks. When what is on the shelves is sold, more than 1,600 shops will not have anything to offer their customers.

"The decree by the Serbian Government is nothing else but a continuation of the ruthless struggle for food that began back at the time of Slovenia's secession, and was continued with the ban on exports of raw materials and energy from Croatia," Uzelac stated. "Even then, and today as well, we have pointed out that Bosnia-Hercegovina's biggest problem in this chaos that prevails in the country will be securing food, but our warnings were not taken into account. No one is surprised any longer by the fact that there will not be any food: neither the customers, nor the bankers, nor the government of Bosnia-Hercegovina."

The battle for food, however, could be won by the state: Either it could let businessmen cope for themselves, so that in view of their good business connections they could establish a bridge for flows of goods and capital, or it could unblock the food reserves—in the case of Bosnia-Hercegovina, this would be essential. A third chance is imports, but at present there is neither enough time nor enough foreign exchange for them.

What happens if none of these is "turned on"?

From the standpoint of the UPI system, it means that the death of livestock on farms in Odzak, Sokoc, Modrica, and Butmir (Sarajevo), for which fodder is supplied from Serbia, will continue. Catastrophe also threatens Kokaprodukt in Gradacac, the Simesov farm in Dobrinja, feedlots, and butcher shops. Also coming to a standstill will be most industrial facilities for the production of chocolate and candies, juices and nonalcoholic beverages, cookies, crackers, and pastries; dried meat products, and UPI's semiprepared foods (like meat pies, cheese pastry), etc., which are also being supplied to the JNA [Yugoslav People's Army] on the territory of Bosnia-Hercegovina will also disappear. This is because many of those products cannot be made without flour, sugar, meat, and vegetable oil.

Through careful reading of the decree, one can see that it will not be easy for private trade to procure food either. It simply prohibits you from taking whatever you buy in Belgrade, Cacak, or anywhere else out of Serbia, not even a suckling pig for the New Year's dining table.

Today a representative delegation from Bosnia-Hercegovina will be in Belgrade to try to settle this problem with representatives of the Serbian Government. UPI is awaiting the outcome of those talks with great concern. Naturally, consumers are as well, especially those who know that Bosnia-Hercegovina does not even produce 50 percent of the market requirements for the food necessary to feed its population. What little stocks were in Bosnia-Hercegovina shops and stores were mostly bought up several months ago by Slovenes (probably knowing what would happen) and fought over by black marketeers. There is no food for Bosnia-Hercegovina in Slovenia, or in Croatia, or in Montenegro. Is hunger really our fate?

Montenegro

'Tragic' Economic Consequences of War Cited

92BA0245C Belgrade BORBA in Serbo-Croatian 9 Dec 91 p 11

[Article by S. Vukovic: "Empty Cartridges on an Empty Stomach"]

[Text] Montenegro has been drawn into an interethnic war, on the most sensitive part of Yugoslav territory, around Dubrovnik; its economy is sinking deeper and deeper; and the polarization among its citizens is approaching a critical point.

A year ago, Montenegro paid tribute to the spirit of the times and became a parliamentary republic. Recently, no one expected that just through this one act of transformation, this smallest member of the Yugoslav federal constellation would start to shine essentially differently and that everything in it would take a turn for the better. The inertia of backwardness had already assumed such force throughout Yugoslavia that only the most incorrigible optimists and demagogues chattered about a vertical march to the future. Instead of that optimistic-demagogic variant, Montenegro has been drawn into an interethnic war, and moreover on the most sensitive part of Yugoslav territory, around Dubrovnik; its economy is sinking deeper and deeper; and the polarization among its citizens is approaching a critical point.

Statistics of Death and Poverty

Consequently, drawing up a balance is nothing more than counting the empty cartridges, the dead, the wounded, and the hungry. According to the published death statistics, the number of casualties in the ranks of

the JNA [Yugoslav People's Army] soldiers from Montenegro is more than 100, and five times as many have been wounded. The tragic picture of Montenegro's brief warfare on someone else's territories is also supplemented by striking facts on the Republic's economic life. The average wage a year ago was 5,000 dinars, which was equal to the value of 700 German marks, while the present average of 7,000 dinars in a monthly salary are only worth 150 German marks. In the meantime, the cost of living has grown by a full 200 percent. A year ago, the total losses of the Montenegrin economy were 2.3 times higher than its capital formation, but today that ratio has been disrupted in favor of the losses. Specifically, they are 18 times higher than capital formation, or, if one only considers the socialized sector, they are even 23 times higher. What follows is even more hopeless. To illustrate, one may use the fact that 75 world tourist agencies have broken off cooperation with Montenegro's Montenegroturist. The EC sanctions, if they last too long, will definitely wrap Montenegro in black.

By the logic of things, the authorities are most responsible for this sort of tragic balance, regardless of whether they could actually have kept all the processes under control and fundamentally influenced them. Srdjan Darmanovic, one of the leaders of the Socialist Party of Montenegro, concludes in the last issue of the Montenegrin weekly MONITOR: "The overall policy of the ruling party and part of the opposition—starting from the pre-election period, through the manipulative nature of the first elections, the control of the press, the choice of strategy and political allies, and specific measures, all the way up to their frenetic support for the initial war operations—has led, inevitably and headlong, to this senseless and sordid war." A deputy from the Democratic Coalition, Djerdj Djokaj (also in MONITOR) thinks that the Montenegrin authorities bear the greatest responsibility and guilt because they allowed the Dubrovnik front to be opened and Montenegrin youth to be led off to senseless death. A respectable part of the Montenegrin public, according to a journalist's free assessment, is inclined toward such a conclusion. A representative opinion of the other and no less significant part of the public was expressed by an anonymous 65-year-old retiree in a newspaper survey: "I am really satisfied with this leadership, especially since the war started. They have done so much good that they should just continue."

How To Make Montenegrins Fed Up With the War

The opponents of the war, and especially of Montenegro's participation in it, rejoiced, briefly, at the moment when President Bulatovic, in The Hague, preferred political treaties to the speech of weapons. Subsequent steps made this hope wane, but also imposed the feeling that the Montenegrin leadership (and thus Montenegro as well) was a prisoner of the military option for settling the Yugoslav crisis. Miodrag Markovic, the leader of the Alliance of Reformists of the Montenegrin Coast, feels that the Montenegrin political leadership's attitude toward the JNA is characterized by impotence, fear, or reluctance to oppose the military option of the rump military-civilian Yugoslav Presidency. He thinks that it is thereby also displaying its own lack of sovereignty in heading the Montenegrin state and defending the interests of its citizens. The Reformists of the Montenegrin Coast raise the question of what this sovereignty of the Montenegrin state leadership is like, when not only is that leadership not informed about mobilization plans and the movements of its units outside of Montenegro, but the redeployment of units from Slavonia and Croatia is conducted on the territory of Montenegro, especially the Coast, without the civil authorities' being asked how, with what resources, and in what way to ensure the conditions for the life of thousands of families of military personnel.

Consequently, a few days ago this agile political party publicly called upon the Montenegrin leadership to express disagreement with the continued conduct of war operations on the Dubrovnik and Hercegovina battlefields, and demand from the Supreme Command the immediate withdrawal of reservists, volunteers, and TO [Territorial Defense] units to Montenegro's borders, their demobilization, and the end of further mobilization on the republic's territory. Srdjan Darmanovic also sent words of suggestive encouragement to the Montenegrin leadership, sincerely hoping that "the people who are heading the Montenegrin state, in the coming days or months, would direct all their political energy, and the apparently limited amount of power that they possess, to pulling Montenegro out of the war." In the opinion of Dr. Dragan Veselinov, an opposition leader from Serbia, which was stated in the MONITOR weekly, "Those who are heading Montenegro do not have enough courage to say 'No' to the catastrophists in Belgrade." It is not easy to assess whether this is only a matter of the absence of courage or an absence of belief in the necessity of that "no." Perhaps the Montenegrin political leadership is aware that a large number of Montenegrins are not yet fed up with the war, and so it does not dare to take such a radical step.

Macedonia

Kljusev Foresees Full Independence in 1992

LD1712174391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1454 GMT 17 Dec 91

[Text] Skopje, 17 Dec (TANJUG)—Macedonian Government Prime Minister Nikola Kljusev said today that conditions for the international recognition of new states in Europe, which were adopted yesterday by the EC Council of Ministers in Brussels, are acceptable for Macedonia.

According to Kljusev, "Compared with other Yugoslav republics that have embarked upon the road of independence," Macedonia and Slovenia have "the clearest situation as far as meeting the required conditions is concerned." In Bosnia-Hercegovina, he added, there is

no unified stand regarding independence, and as for Croatia, the issue of borders is still outstanding.

Talking in Skopje at a meeting of the Federation of Macedonian Journalists about the topical issues regarding the future of this republic, the Macedonian premier expressed the government view that 1992 will be the year in which the Macedonian state will achieve full independence, autonomy, and sovereignty, with its own diplomatic service and economic relations with the rest of the world.

Kljusev criticized the persistent efforts of some countries to recognize only Croatia and Slovenia.

Government To Help Its Soldiers in Croatia

AU1712132191 Skopje Radio Macedonia Network in Macedonian 2100 GMT 16 Dec 91

[Excerpts] At its session today, the continuation of the last week's session, the Government of the Republic of Macedonia adopted several views and specific decisions. [passage omitted]

Discussing the destiny of Macedonian soldiers and officers who are imprisoned and facing trials before military courts because they refused to take part in the war in Croatia, the government decided to financially support their legal defense.

This financial help involves covering daily and travel expenses to lawyers from the Republic of Macedonia who at their own initiative offered to defend these people free of charge. This help will be realized through the respective Ministry of Judiciary and Administration.

The government also supported the initiative launched by the Bar of Macedonia and the Forum for Human Rights to the effect that the soldiers and officers from our republic should be protected with all available means.

Opposing Criticism of Gligorov Discussed

92BA0229A Belgrade BORBA in Serbo-Croatian 4 Dec 91 p 9

[Article by D. Nikolic: "Kiro Gligorov Between 'Vatican Conspiracy' and 'Anti-Serbian Conspirator'; Tango on Small Piece of Balkans"]

[Text] To one side, Gligorov is an "anti-Serbian conspirator," because he expunged Serbs from the constitution, declaring that they are present in Macedonia in negligible numbers, while to the other side he is a Serbian puppet because he expunged Macedonians from Macedonia by not allowing it to be declared the national state of Macedonians.

According to Serbian propaganda, which is intensifying its concern for Serbs in Macedonia, Kiro Gligorov is involved in a "Vatican conspiracy," while to the "most national" Macedonian party, the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity] he is simply a Serbian puppet. He is an "anti-Serbian conspirator" because he held the secessionist referendum, adopted the secessionist constitution, and is pursuing a foreign policy along the Ankara-Tirana-Rome-Vienna-Bonn route, and he is a Serbian puppet because he did not follow Slovenia and Croatia and because his referendum and constitution are simply demagogy, intended to neutralize the VMRO-DPMNE. According to this latter view, Gligorov is in fact planning to hand Macedonia over to what is left of Yugoslavia, which, regardless of what it is called, will be Serboslavia.

He is also an "anti-Serbian conspirator" because he expunged Serbs from the constitution, declaring that they are present in Macedonia in negligible numbers, while he is a Serbian puppet because he in fact expunged Macedonians from Macedonia by not allowing Macedonia to be declared the national state of Macedonians. Because of this, the "most national party" also decided not to vote for that constitution and to immediately launch an initiative to redefine it.

After the Tour

From his tour around Canada and the United States, VMRO-DPMNE leader Ljupco Georgijevski brought back an article by party ideologist and founder Dragan Bogdanovski, which was published in the Skopje independent daily REPUBLIKA. It vehemently challenges Gligorov's "traitorous policy" and attacks his lobby in overseas countries as a "propaganda agency of the Yugo-Communist regime in Macedonia." The spiritual initiators of this "criminal lobby" are "Serbian puppets from Skopje, led by Kiro Gligorov." Bogdanovski, embittered because of the poor response to Georgijevski's tour, in which he also took part, says that the "lobbyists will be national criminals because they are participating in national betrayal," handing Macedonia over to Serboslavia. Immediately thereafter, in the same daily newspaper, Ljupco Georgijevski himself spoke up, criticizing Gligorov's anti-Macedonian lobby and his anti-Macedonian policy.

Serbian propaganda does not like Gligorov because it maintains that there is no difference between him and the VMRO-DPMNE, and that his policy is leading Macedonia under the coattails of Sofia, while the leaders of the "most national party" have not liked him from the outset because Macedonians believe him when he says that he is not leading them into some sort of adventure, and that in troubled times he will save them from chaos. It is very difficult to believe that the VMRO-DPMNE is attacking Gligorov because he is implementing the goals of its platform concerning a sovereign and independent Macedonia. The reason is more likely to be that the goals of Gligorov and of the leaders of the VMRO-DPMNE differ.

Intersection of Opposing Ideologies

The well-known Macedonian historian Dr. Ivan Katardziev has figured out the author of the brochure "Pirinska drzava" [Pirin State], which was distributed around Skopje last year as an anonymous text. Katardziev has established that the author is Dragan Bogdanovski. This brochure calls on the Bulgarian Government to create a "Pirin state" in the Pirin part of Macedonia, and says that Vardar Macedonia should then join that state within Bulgaria's state borders. This would be a type of compromise; the Bulgarians would grant statehood to the Macedonians on the territory of Pirin Macedonia as well, but the Macedonians would renounce their nationality. They would become "Bulgarian Montenegrins." The brochure recommends that "Koneski and company," who established "the line between Macedonians and Bulgarians" not be hanged, but rather that they be refuted by "the national will."

If the most national party questions the nationality of Macedonians, then one can well imagine why they were against the referendum and the constitution through which a sovereign and independent Macedonia is established, with the possibility of joining a confederation of sovereign states. On the eve of the referendum, a pamphlet against the referendum and Gligorov was distributed around Skopje with the same style and language as "Pirinska drzava."

Since the "most national Macedonians" are opposed to a nation "created by decree," it comes as no surprise either that kindred nationalists find that there are between 300,000 and 500,000 Serbs in Macedonia, or rather that there are (according to Greek newspapers) only 250,000 Macedonians in Macedonia, while the rest are Vlachs, Serbs, Albanians, Turks, and others.

If the opposing ideologies and their voluntaristic statistics thus intersect at Gligorov, the question arises of whether he can maintain his position at the "equilibrium of opposites" through his political reason and constructive approach in this little piece of the Balkans, and what it actually means to him that the majority of Macedonians are with him, which they have confirmed in the referendum.

BORBA Reports Rift in VMRO-DPMNE

92BA0229B Belgrade BORBA in Serbo-Croatian 4 Dec 91 p 9

[Text] We have learned unofficially that the ideologist and founder of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity], Dragan Bogdanovski, has definitively written off Ljupco Georgijevski as leader of that party in Macedonia following their joint visit to Canada and the United States, about which the Macedonian public was informed in a lengthy letter published in today's NOVA MAKEDONIJA. We have learned that Bogdanovski criticizes Georgijevski for his pro-Bulgarian orientation. As we know, during his visit to Canada and the United States, Georgijevski was less the guest of the local branches of the VMRO-DPMNE and more the guest of the Bulgarian, Vancomihalovist organization MPO [expansion not given], which paid for his plane ticket and hotel bills. The president of that organization, Ivan Lebanov, also arranged a reception in Georgijevski's honor. It is possible that Bogdanovski "definitively broke" with Georgijevski because he wants to save the party from the pro-Bulgarian, compromised Georgijevski among the Macedonian emigree community. However, deeper motivations cannot be ruled out: Georgijevski is not implementing Bogdanovski's program, and the rift within the very leadership of the VMRO-DPMNE in Macedonia between "hardline" and "flexible" party leaders is apparent.